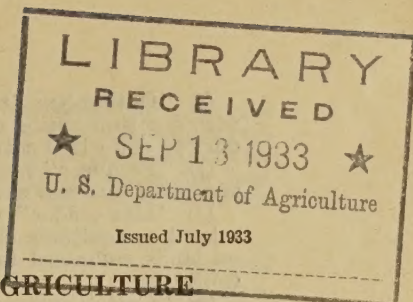


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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

(Cotton Regulations, Series 1)

COTTON REGULATIONS PERTAINING TO OPTION-BENEFIT, BENEFIT,
AND OPTION CONTRACTS MADE BY THE SECRETARY OF AGRICULTURE WITH THE APPROVAL OF THE PRESIDENT UNDER THE
AGRICULTURAL ADJUSTMENT ACT, APPROVED MAY 12, 1933,
AS AMENDED

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by the Agricultural Adjustment Act, approved May 12, 1933, as amended, I, HENRY A. WALLACE, Secretary of Agriculture, do make, prescribe, publish, and give public notice of the following regulations with the force and effect of law, to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture with the approval of the President under said act.

In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington this 25th day of July, 1933.

HENRY A. WALLACE,
Secretary of Agriculture.

Approved:

FRANKLIN D. ROOSEVELT,
The President of the United States,
THE WHITE HOUSE, JULY 25, 1933.

ARTICLE I

DEFINITIONS

SEC. 100. As used in these regulations and in all cotton option, benefit, and option-benefit contracts:

(a) The term "Act" or "Agricultural Adjustment Act" means the act of Congress entitled "Agricultural Adjustment Act", approved May 12, 1933, as amended.

(b) "Secretary" means the Secretary of Agriculture of the United States.

(c) "Farm" means a tract of land under one control or forming a single property devoted to agriculture.

(d) "Benefit" or "benefit payment" means a cash payment moving from the Secretary of Agriculture to the producer in consideration of the reduction of cotton acreage pursuant to subsection (1) of paragraph 11 of the offer to enter into cotton option-benefit or benefit contracts.

(e) "Option-benefit" means a cash payment defined in (d) above in combination with a cotton option contract pursuant to subsection (2) of paragraph 11 of the offer to enter into cotton option-benefit or benefit contracts.

(f) "Producer" means the operator of a cotton farm, including corporations and other business entities.

(g) "Lien-holder" means any person, corporation, or business entity having a legal or equitable claim for security against the 1933 cotton crop being grown on lands embraced in any offer to enter into cotton option-benefit or benefit contracts.

(h) "Cotton contract" includes option contracts, benefit contracts, and option-benefit contracts.

ARTICLE II

MAKING OF CONTRACT

SEC. 200. Any producer, as defined above, who owns or rents cotton lands and has or will have legal ownership of the cotton crop produced in the year 1933 on such land is eligible to become a party to a cotton contract with the Secretary. Where ownership is in more than one person, all who are interested as owners must sign the offer either as principal parties or as consenting parties.

SEC. 201. When offer forms are submitted to producers for their study and consideration, they must in every case be accompanied, for the producer's information only, by a specimen form of the cotton option contract.

SEC. 202. No offer by a producer to take out of production less than 25 percent or more than 50 percent of his 1933 cotton acreage will be accepted unless approved by the Secretary or the State director of extension.

SEC. 203. The cotton crop on the land to be taken out of production by any producer must be a fair average, as to estimated yield per acre, of the crop on all his land that is planted to cotton.

SEC. 204. Offer forms must be filled in and signed in triplicate, in ink or indelible pencil.

SEC. 205. All lien-holders and/or other persons having an interest in the 1933 cotton crop now being grown on the lands embraced in any producer's offer, if they consent to such offer, must indicate such consent by signing their names at the place provided for that purpose on the offer.

SEC. 206. Checks representing cash benefits may be made payable to the producer and a lienholder or lienholders, jointly, if request therefor be made in the offer.

Where, from the offer form, it appears that ownership of the cotton crop is in more than one person, as in the case of partnerships, husband and wife, or two or more producers signing the same offer, or cases where the legal relationship of parties interested in the offer of a cotton crop is uncertain, but it is apparent that all have an interest in the crop, payment may be made by check payable to all so interested in the crop as their interests may appear.

SEC. 207. In case a farm is operated by a corporation, minor, or incompetent, the offer to enter into cotton option-benefit or benefit contracts must be signed by an officer, guardian, committee, or other representative authorized to sign such offer.

SEC. 208. If any lienholder is a corporation, minor, or incompetent, the consent agreement must be signed by an officer, guardian, committee, or other representative authorized to sign such agreement.

SEC. 209. No lienholder, in consideration of signing the consent agreement contained in the offer to enter cotton option-benefit or benefit contracts, may enter or attempt to enter into an agreement with any producer whereby the amount of the debt secured by a lien held by him against the crop of such producer is increased, or the due date of such debt made earlier. Any lien holder who enters or attempts to enter into such an agreement shall be guilty of a violation of these regulations, and any such agreement shall be null and void.

SEC. 210. Every offer must be approved by the local committee before being forwarded to the Secretary for consideration. Prior to the granting of such approval, a member of such committee must make a personal inspection of all the producer's land planted to cotton. In aid of such inspection the producer must, at all reasonable times, allow such committee member the rights of ingress and egress to and from the land.

SEC. 211. If the local committee approves the offer of the producer it must notify the county committee of its decision. The county committee must, after due consideration, approve or disapprove the decision of the local committee.

If the county committee approves the decision of the local committee, it must recommend to the Secretary acceptance of the producer's offer; if it disapproves such decision, it must so notify the local committee and give the reasons therefor.

Sec. 212. If the offer of any producer is refused approval by either the local committee or the county committee, the producer may make further offers for the consideration of the committees.

Sec. 250. Acceptance of offers will be at the discretion of the Secretary.

Sec. 251. The Secretary will notify each producer whose offer is accepted and will give instructions to such producer for taking his land out of cotton production.

ARTICLE III

PERFORMANCE OF CONTRACT

Sec. 300. If the producer does not obtain the consent and signature of all lien-holders and/or other parties having an interest in the crop on the acreage to be withdrawn from production, and the Secretary enters into a cotton contract with the producer with or without knowledge of the lack of consent of such interested party or parties, the Secretary shall have the right at any time to withdraw from such contract, or to withhold benefit payments until the consent of all such interested parties has been obtained or the matter has been otherwise adjusted.

Sec. 301. When a producer is notified that his offer has been accepted, either as to all or as to part of the land embraced therein, by the Secretary, or is otherwise permitted by the Secretary, he shall take out of cotton production, in accordance with the Secretary's instructions, the land embraced in his offer as so accepted, and shall certify to the local committee operating in his locality that he has done so and that he has duly performed all the other terms and conditions on his part to be performed. Thereupon, a member of the local committee or other person designated by the Secretary shall inspect the producer's land; and in aid of such inspection the producer shall, at all reasonable times, allow such committee member or other person the rights of ingress and egress to and from the land.

Sec. 302. If the local committee finds, after inspection of the land, that the producer has duly performed all the terms and conditions on his part to be performed, including taking land out of cotton production, it shall so certify and shall notify the county committee of its determination. The county committee shall, after due consideration, approve or disapprove the certification. If the certification is approved, notice shall be sent to the Payment Unit, Cotton Section, Agricultural Adjustment Administration, Washington, D.C.

Sec. 303. If the certification of due performance by the producer is refused by the local committee the producer shall have the right to appeal from such determination to the county committee, who shall hear the matter and either approve or disapprove the certification. If the certification is approved, notice shall be sent to the Review Unit, Agricultural Adjustment Administration, Washington, D.C.

Sec. 304. In all cases in which county committees refuse certification they shall prepare records showing the facts, together with the reasons for their refusal, and shall deliver such records to the county agent, who shall forward them to the Review Unit, Agricultural Adjustment Administration, Washington, D.C. Any producer who feels aggrieved by the refusal of the county committee in any such case may appeal to the Review Unit, Agricultural Adjustment Administration, Washington, D.C.

Sec. 350. Where the producer elects to take his compensation for acreage reduction in the form of a cash payment only in accordance with the terms of paragraph eleven (11), subsection one (1), of the offer to enter into cotton option he shall be paid in accordance with the following schedule:

<i>Schedule of payments when compensation is made in cash only</i>		Payment
Estimated yield per acre for 1933 on land to be taken out of cotton production:		per acre
100 to 124 pounds.....		\$7
125 to 149 pounds.....		9
150 to 174 pounds.....		11
175 to 224 pounds.....		14
225 to 274 pounds.....		17
275 pounds and over.....		20

SEC. 351. Where the producer elects to take his compensation for acreage reduction in the form of a cash payment plus a cotton option in accordance with the terms of paragraph eleven (11), subsection two (2), of the offer, he shall receive compensation in accordance with the following schedule:

<i>Schedule of cash payments with option</i>		Cash payment per acre plus option
Estimated yield per acre for 1933 on land to be taken out of cotton production:		
100 to 124 pounds.....		* \$6
125 to 149 pounds.....		* 7
150 to 174 pounds.....		* 8
175 to 224 pounds.....		* 10
225 to 275 pounds.....		* 11
275 pounds and over.....		* 12

The option to be granted as part of the producer's compensation under this schedule shall be one to purchase cotton from the Secretary at 6 cents per pound, basis middling seven-eighths inch staple cotton as quoted on the New York Cotton Exchange, in the amount by which it is estimated that the producer's 1933 crop will be reduced in accordance with his contract.

SEC. 352. The Secretary undertakes to make compensation to the producer, whether by cash payment only or by cash payment plus a cotton-option contract, only after due proof of performance by the producer, as prescribed in regulations and/or instructions.

SEC. 353. Cotton option contracts will be delivered to producers after proof of performance at or about the time cash benefits are paid.

SEC. 354. Exercise of a cotton option contract must be for the full amount of cotton covered by the producer's option contract.

SEC. 355. To facilitate the execution of cotton option contracts, the Secretary may convert by any appropriate means any cotton held by him into cotton-futures contracts.

SEC. 356. If the date designated in a notice to exercise a cotton option contract is a date prior to December 1, 1933, the Secretary, in his discretion, may postpone compliance with such notice until such time as in his judgment a price of not less than 9½ cents per pound can be obtained for cotton covered by all like options, the holders of which have given notices to have their options exercised on such date; but in no event shall such compliance be postponed beyond March 1, 1934. Such postponed compliance shall be deemed an exercise of the option.

SEC. 357. Notice of the exercise of an option must be given in the form indicated at the bottom of the option contract.

SEC. 358. Notice of the exercise of an option sent without postage prepaid or sent by telegraph collect will not be accepted by the Secretary.

SEC. 359. Land taken out of cotton production may be used during the 1933 cotton season only for the production of soil-improvement or erosion-preventing crops, and for food or feed crops for home use.

• Plus option on Government cotton at 6 cents a pound.

Item 10a

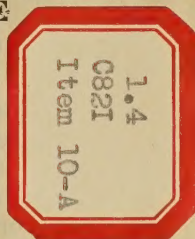
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UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

WASHINGTON, D.C.

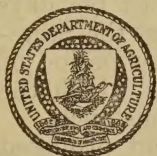
(General Regulations, Series 1, Revision 1)



GENERAL REGULATIONS MADE BY THE SECRETARY OF AGRICULTURE WITH THE APPROVAL OF THE PRESIDENT UNDER THE AGRICULTURAL ADJUSTMENT ACT, MAY 12, 1933, AS AMENDED

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by the Agricultural Adjustment Act, approved May 12, 1933, as amended, I, HENRY A. WALLACE, Secretary of Agriculture, do make, prescribe, publish, and give public notice of the following regulations (constituting a revision of and superseding General Regulations, Series 1) with the force and effect of law, to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture with the approval of the President under said Act.



IN TESTIMONY WHEREOF I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the City of Washington this 18th day of July 1933.

Henry A. Wallace

Secretary of Agriculture.

Approved.

Franklin D. Roosevelt

The President of the United States.

THE WHITE HOUSE, July 26, 1933.

ARTICLE I

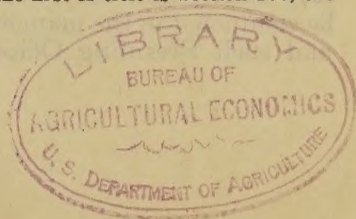
DEFINITIONS

SEC. 100.¹ As used in these regulations:

(a) The term "Act" means the Agricultural Adjustment Act, approved May 12, 1933, as amended.

(b) The term "Secretary" means the Secretary of Agriculture of the United States.

¹ The Sections of these regulations are numbered decimally according to the corresponding numbers of the Articles. Thus the first Section of the first Article is Section 100, the first Section of the second Article is Section 200, etc.



ARTICLE II

HEARINGS WITH REFERENCE TO MARKETING AGREEMENTS, UNDER SECTION 8, SUBSECTION (2) OF THE ACT

SEC. 200. Whenever the Secretary shall determine that with respect to any marketing agreement with processors, associations of producers, or others engaged in the handling in the current of interstate or foreign commerce of any agricultural commodity or product thereof hearings should be held pursuant to Section 8, subsection (2) of the Act, due notice and opportunity for hearing to interested parties shall be given as provided hereinafter in this Article.

SEC. 201. Notice will be given, in respect of any such proposed hearing, of the subject matter, time and place of such hearing:

(a) By posting a copy of a written notice thereof on the official bulletin board or boards in the main building of the Department of Agriculture at Washington, D.C.; and

(b) By issuing press releases containing copies of said notice and by making available in the main building of the Department of Agriculture copies of such notice for the press; and

(c) By forwarding copies of such notice addressed to such Governors of the several States of the United States, and to such executive heads of the territories and possessions of the United States as the Secretary or his duly authorized agent, having due regard for the subject matter of such proposed hearing and the public interest, shall determine should be notified.

SEC. 202. Such notice of hearing shall be given at least ten days prior to the date of hearing set forth in said notice, unless the Secretary shall determine that an emergency requires a shorter period of notice, in which case the period of notice shall be that which the Secretary may determine to be reasonable in the circumstances.

SEC. 203. Except in the case of a marketing agreement proposed by the Secretary, no such hearing will be held unless the proposed marketing agreement shall have been reduced to writing and filed in the office of the Secretary together with a written application to the Secretary by the persons proposing such agreement that the Secretary call such a hearing. Such application shall be in a form prescribed by the Secretary, which form may be obtained upon request at the office of the Chief Hearing Clerk. Such Chief Hearing Clerk shall have an established office in the Department of Agriculture, Washington, D.C., and shall be designated by the Secretary. The application must be so filed at or before the time when the notice of hearing is given. Copies of the proposed marketing agreement shall be available to the public in the office of the Chief Hearing Clerk from the date when the notice with respect to such hearing shall be given, and copies of such agreement shall be available at the hearing held with respect to such agreement.

SEC. 204. Every such hearing shall be conducted by a Presiding Officer, who shall be the Secretary or such officer or employee of the Department of Agriculture as the Secretary may designate in writing, and any such designation may be made or revoked by the Secretary at any time before or during any hearing. Such hearings shall be conducted in the manner to be determined by the Presiding Officer, and such Presiding Officer, by virtue of his appointment as such,

shall, subject to the provisions of the Act and applicable regulations issued pursuant thereto, be deemed to be an officer designated by the Secretary within the purview of Section 400 of these regulations, and shall have all the powers granted to such an officer.

Sec. 205. Said hearing shall be held at the time and place set forth in the notice of hearing and may at such time and place be continued from day to day, or adjourned to a later day or to a different place without notice other than announcement thereof at the hearing, by the Presiding Officer.

Sec. 206. All persons desiring to testify at any such hearing or to file written statements or written arguments in connection therewith, shall before the opening of such hearing cause their names to be filed with the Chief Hearing Clerk, or shall cause their names to be filed at such hearing at the opening thereof with said Chief Hearing Clerk, or with an Assistant Hearing Clerk present at such hearing who shall be designated by the Presiding Officer. Any person who has not caused his name to be filed shall not be entitled to be heard or to file written statements or written arguments, unless the Presiding Officer, in his discretion, shall permit the later filing of names in cases in which in his judgment the public interest so requires.

Sec. 207. At such hearing the following shall be the order, or method of the proceedings unless the Presiding Officer shall, in his discretion, determine a different order or method of procedure:

(a) The Presiding Officer shall cause the proposed agreement to be read without argument or comment.

(b) Persons in favor of the proposed marketing agreement will be heard on the question of whether there should be any marketing agreement, and those proposing the marketing agreement shall show that the proposed marketing agreement tends to effectuate the declared policy of the Act.

(c) Persons who are in opposition to the Secretary becoming a party to any marketing agreement will then be heard. No testimony will be permitted at this stage of the proceedings as to any specific provisions of the proposed marketing agreement.

(d) Persons in favor of the proposed marketing agreement will then be heard on the question of the advisability of the several provisions of the proposed marketing agreement.

(e) Persons who oppose any or all of the provisions of the marketing agreement or who desire to suggest additions, alterations, or modifications in respect of the proposed marketing agreement, will then be heard, and any such suggested additions, alterations, or modifications must be submitted in writing at such time.

(f) Persons in favor of the proposed marketing agreement will then be permitted to discuss any such suggested additions, alterations, or modifications.

Sec. 208. Testimony given at such hearings shall be reported verbatim. All written statements or written arguments shall be typewritten, mimeographed, or printed, and filed in triplicate. As soon as practicable after the conclusion of each such hearing a copy of the transcript of testimony and of each such written statement or written argument shall be available for public inspection at the office of the Chief Hearing Clerk.

SEC. 209. (1) Said hearings shall be concluded within such time as the Presiding Officer shall determine, after which time no oral testimony will be taken, but written statements or written arguments, in the form prescribed by Section 208, may be filed with the Chief Hearing Clerk within such time thereafter, and upon such terms, as the Presiding Officer may designate. A copy of such written statements and written arguments shall be available for public inspection at the office of the Chief Hearing Clerk upon the filing thereof.

(2) Any person desiring a copy of the transcript of the testimony or of any filed written statement or written argument shall be entitled to the same upon application to the Chief Hearing Clerk and upon payment of the reasonable cost thereof.

SEC. 210. As soon as practicable after the conclusion of any hearing, the Secretary shall render his decision, which will thereupon be filed in the office of the Chief Hearing Clerk and shall be available for public inspection.

SEC. 211. Whenever, pursuant to a decision of the Secretary, any agreement becomes effective, it shall thereupon be filed in the office of the Chief Hearing Clerk and be available for public inspection.

SEC. 212. Any person shall be entitled to a copy of any decision of the Secretary under this Article or of any agreement entered into pursuant to any such decision upon application to the Chief Hearing Clerk and upon payment of the reasonable cost thereof.

ARTICLE III

HEARINGS WITH REFERENCE TO PROCESSING TAXES UNDER SECTIONS 9 (b), 15 (a), 15 (d) AND TO THE EXCLUSION OF COMMODITIES UNDER SECTION 11 OF THE ACT

SEC. 300. Whenever the Secretary shall determine with respect to any processing tax that any hearings should be held, pursuant to Sections 9 (b), 11, 15 (a), or 15 (d) of the Act, due notice and opportunity for hearing to interested parties shall be given as provided hereinafter in this Article.

SEC. 301. Notice will be given, in respect of any such proposed hearing, of the subject matter, time and place of such hearing;

(a) By posting a copy of a written notice thereof on the official bulletin board or boards in the main building of the Department of Agriculture at Washington, D.C.; and

(b) By issuing press releases containing copies of said notice and by making available in the main building in the Department of Agriculture copies of such notice for the press; and

(c) By forwarding copies of such notice addressed to such Governors of the several states of the United States, and to such executive heads of the territories and possessions of the United States as the Secretary or his duly authorized agent having due regard for the subject matter of such proposed hearing and the public interest shall determine should be notified.

SEC. 302. Such notice of hearing shall be given at least ten days prior to the date of hearing set forth in said notice; unless the Secretary shall determine that an emergency requires a shorter period of notice, in which case the period of notice shall be that which the Secretary may determine to be reasonable in the circumstances.

SEC. 303. Every such hearing shall be conducted by a Presiding Officer who shall be the Secretary or such officer or employee of the Department of Agriculture as the Secretary may designate in writing, and any such designation may be made or revoked by the Secretary at any time before or during any hearing. Such Presiding Officer, by virtue of his appointment as such, shall, subject to the provisions of the Act and applicable regulations issued pursuant thereto, be deemed to be an officer designated by the Secretary within the purview of Section 400 of these regulations, and shall have all the powers granted to such an officer.

SEC. 304. Said hearing shall be held at the time and place set forth in the notice of hearing and may at such time and place be continued from day to day, or adjourned to a later day or to a different place without notice other than announcement thereof, at the hearing, by the Presiding Officer.

SEC. 305. All persons desiring to testify at any such hearing or to file written statements or written arguments in connection therewith, shall before the opening of such hearing cause their names to be filed with the Chief Hearing Clerk (who shall have an established office in the Department of Agriculture, Washington, D.C., and shall be designated by the Secretary) or shall cause their names to be filed at such hearing at the opening thereof with said Chief Hearing Clerk, or with an Assistant Hearing Clerk present at such hearing who shall be designated by the Presiding Officer. Any person who has not caused his name to be filed shall not be entitled to be heard or to file written statements or written arguments unless the Presiding Officer, in his discretion, shall permit the later filing of names in cases in which in his judgment the public interest so requires.

SEC. 306. At such hearing the Presiding Officer shall cause to be read the section or sections of the Act pursuant to which the hearing is held. Every such hearing shall be conducted in the manner determined by the Presiding Officer.

SEC. 307. Testimony given at such hearings shall be reported verbatim. All written statements or written arguments shall be typewritten, mimeographed, or printed, and filed in triplicate. As soon as practicable after the conclusion of each such hearing a copy of the transcript of testimony and of each such written statement or written argument shall be available for public inspection at the office of the Chief Hearing Clerk.

SEC. 308. (1) Said hearings shall be concluded within such time as the Presiding Officer shall determine, after which time no oral testimony will be taken, but written statements or written arguments, in the form prescribed by Section 307, may be filed with the Chief Hearing Clerk within such time thereafter, and upon such terms, as the Presiding Officer may designate. A copy of such written statements and written arguments shall be available for public inspection at the office of the Chief Hearing Clerk upon the filing thereof.

(2) Any person desiring a copy of the transcript of the testimony or of any filed written statement or written argument shall be entitled to the same upon application to the Chief Hearing Clerk and upon payment of the reasonable cost thereof.

ARTICLE IV

PROVISIONS RELATING TO EXAMINATION OF DOCUMENTARY EVIDENCE, ISSUANCE OF SUBPOENAS, AND TAKING OF DEPOSITIONS

SEC. 400. Pursuant to the provisions of Section 10, subsection (h) of the Act, making applicable to the jurisdiction, powers, and duties of the Secretary the provisions of Sections 8, 9, and 10 of the Federal Trade Commission Act, approved September 26, 1914, and pursuant to other applicable provisions of law:

(a) The Secretary or his duly authorized officer or agent shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any person, whether or not a corporation, subject to the provisions of the Act.

(b) Subpoenas issued by the Secretary or by an officer or agent duly authorized by the Secretary requiring the attendance and testimony of witnesses and/or the production of such documentary evidence are to be signed by the Secretary or by such officer or agent. The Secretary or such officer or agent may also administer oaths or affirmations, examine witnesses, and receive evidence. Such attendance of witnesses and such production of documentary evidence may be required from any place in the United States, its territories or possessions, at a designated place of hearing, before the Secretary or such officer or agent.

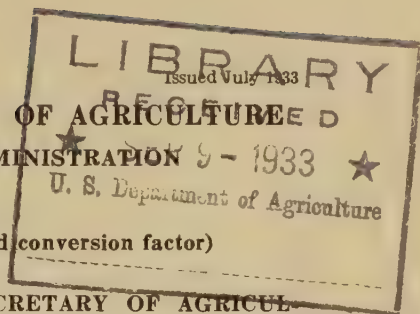
(c) The Secretary or an officer or agent duly authorized by the Secretary may require testimony to be taken by deposition in any proceeding under the Act at any stage of such proceeding. Such deposition may be taken before any person having the power to administer oaths, designated by the Secretary or by his officer or agent. Such testimony shall be reduced to writing by the person taking the deposition, or under his direction, and such testimony shall then be subscribed by the deponent. Any person may be compelled to appear and depose and to produce documentary evidence in the same manner as witnesses may be compelled to appear or testify or produce documentary evidence before the Secretary or his duly authorized officer or agent, as hereinbefore provided.

Witnesses summoned before the Secretary or before an officer or agent duly authorized by the Secretary shall be paid the same fees and mileage as are by law provided in the case of witnesses summoned before the courts of the United States, and witnesses whose depositions are taken, and the persons taking the same, shall severally be entitled to the same fees as are by law provided for like services in the courts of the United States.

THE UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

(Cotton Regulations, Series 2)

(Marketing year, rate of processing tax, and conversion factor)



COTTON REGULATIONS MADE BY THE SECRETARY OF AGRICULTURE WITH THE APPROVAL OF THE PRESIDENT, UNDER THE AGRICULTURAL ADJUSTMENT ACT.

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by the Agricultural Adjustment Act, approved May 12, 1933, as amended, I, Henry A. Wallace, Secretary of Agriculture, do make, prescribe, publish, and give public notice of these regulations with the force and effect of law, to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture, with the approval of the President, under said Act.

I do hereby ascertain and prescribe that for the purposes of said Act the first marketing year for cotton shall begin August 1, 1933.

I do hereby determine as of August 1, 1933, that the processing tax on the first domestic processing of cotton shall be at the rate of 4.2 cents per pound of lint cotton, net weight, which rate equals the difference between the current average farm price for cotton and the fair exchange value of cotton, which price and value, both as defined in said Act, have been ascertained by me from available statistics of the Department of Agriculture.

I do hereby establish that the conversion factor for articles (other than nonspinnable waste, hereby defined as including only opener, breaker and finisher picker waste, card motes and fly, sweepings, and clearer waste, and the products thereof), processed from cotton, to determine the amount of tax imposed or refunds to be made with respect thereto, is, per pound of cotton content, 105.2 per centum of the per pound processing tax. The cotton content of such articles shall be deemed to include the weight of cotton in the form of yarn, fabric, thread, twines, roving, sliver, laps and all other forms. No deduction shall be made from the weight of such articles for normal moisture content, but reasonable deductions shall be made for sizing, buttons, and such other noncotton materials.

In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington this 14th day of July 1933.



Henry A. Wallace
Secretary of Agriculture.

Approved:

Franklin D. Roosevelt

The President of the United States

JULY 14, 1933

THE UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

(Cotton Regulations, Series 2, Supplement 1)

(Marketing year, rate of processing tax, and conversion factors)

SUPPLEMENTARY COTTON REGULATIONS MADE BY THE SECRETARY OF AGRICULTURE WITH THE APPROVAL OF THE PRESIDENT, UNDER THE AGRICULTURAL ADJUSTMENT ACT

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by the Agricultural Adjustment Act, approved May 12, 1933, as amended, I, Henry A. Wallace, Secretary of Agriculture, do make, prescribe, publish, and give public notice of these regulations (constituting a supplement to and in part a revision of Cotton Regulations, Series 2, and to the extent of such revision, but not otherwise, superseding said Regulations) with the force and effect of law, to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture, with the approval of the President, under said Act.

The net weight of lint cotton subject to the processing tax shall be determined by deducting the weight of tare (bagging, ties, and patches) from the gross weight of the bale.

In lieu of and in revision of the fourth paragraph of the above-mentioned Cotton Regulations, Series 2, I do hereby establish that the conversion factor for articles, processed from cotton, to determine the amount of tax imposed or refunds to be made with respect thereto, is, per pound of cotton content, 105.2 per centum of the per pound processing tax; *Provided, however*, that the conversion factor shall be zero for (a) motes and fly, flat strips, comber waste, slasher waste, cuttings, rags, and other waste (not including substandard products and short length piece goods), incident to the processing, manufacturing, or fabricating of cotton or of cotton products, (b) second-hand articles, and (c) such part of the content of any article or product as is made from any article or combination of articles described in (a) or (b). No deduction shall be allowed from the weight of any article for normal moisture content, but a reasonable deduction shall be allowable for the sizing, buttons, or other noncotton materials.

In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington this 28th day of July, 1933.



Henry A. Wallace

Secretary of Agriculture.

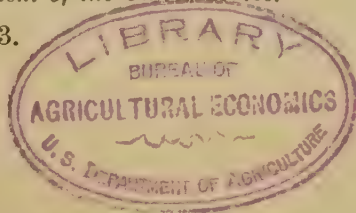
Approved:

Franklin D. Roosevelt

The President of the United States.

JULY 28, 1933.

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UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

(Cotton Regulations, Series 2, Supplement 2)

(Definitions and Conversion Factors)

**SUPPLEMENTARY COTTON REGULATIONS MADE BY THE
SECRETARY OF AGRICULTURE WITH THE APPROVAL OF
THE PRESIDENT UNDER THE AGRICULTURAL ADJUST-
MENT ACT**

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by the Agricultural Adjustment Act, approved May 12, 1933, as amended, I, R. G. Tugwell, Acting Secretary of Agriculture, do make, prescribe, publish and give public notice of these regulations (constituting a supplement to and in part a revision of Cotton Regulations, Series 2, and Cotton Regulations, Series 2, Supplement 1, and to the extent of such revision, but not otherwise, superseding said Regulations) with the force and effect of law, to be in force and effect on and after December 1, 1933, and until amended or superseded by regulations thereafter made by the Secretary of Agriculture, with the approval of the President, under said Act.

I. DEFINITIONS

The following terms, as used in these regulations, shall have the meanings hereby assigned to them:

First Domestic Processing.—First domestic processing—

(a) With respect to cotton that is to be spun, is every state of manufacture or processing up to the removal of the bobbin or cop from the spinning machine on which its yarn has been spun;

(b) With respect to cotton that is not to be spun, is that amount and degree of manufacture or processing up to the point where the cotton is fashioned into an article, either to be packaged and sold as such, or to be used for further manufacturing into a different type of article.

Absorbent Cotton.—Absorbent cotton is cotton treated chemically to remove natural fatty substances and further prepared for surgical purposes.

Adhesive Tape.—Adhesive tape is a cut-edge ribbon of cotton cloth having adhesive on one side, usually intended for surgical purposes.

Artificial Leather.—Artificial leather is a stout coarse cotton fabric, spread or coated with nitrocellulose or varnish, and grained and finished, usually to resemble leather.

Auto Slip Cover Cloth.—Auto slip-cover cloth is a medium weight cotton fabric, plain weave, with ingrain colored warp stripes.

Awning Stripes.—Awning stripes is a strong durable cotton canvas made in colored stripes with colored warp yarns, or having printed, stenciled and/or painted stripes. This classification includes ingrain solid colored awning material.

Bags.—Bags are cotton containers woven, or cut and sewn, into tubular form and closed on one end. Tubular woven or seamless bags generally contain a few colored ingrain warp stripes.

Bathing Suits.—Bathing suits are torso outer garments, in one piece, or in two separate pieces, top and bottom, fabricated from a knit cotton fabric.

Bathrobes.—Bathrobes are lounging robes with sleeves, full length, front opened, usually with belt-cord, and made of terry cloth, blanket cloth, or other cotton fabrics.

Batting.—Batting is layers of cotton, cleaned and slightly matted.

Bed Sheets.—Bed sheets are articles of bedding, torn or cut from cotton fabric, and hemmed at both ends.

Bed Spreads.—Bed spreads are cotton household articles, commonly known as counterpanes, cut and hemmed, or fringed on both ends, made from bedspread and/or woven quilt fabric.

Bedspread and Quilting.—Bedspread and quilting are cotton fabrics used for making the top covers of a bed, such as crochet quilts, Marseilles quilts, satin quilts, dimity spreads, and crinkled or raised pattern spreads.

Belts, Machinery.—Machinery belts are cotton articles used to transmit power, woven from heavy cabled yarns into a strong fabric, one or more plies of which are stitched, stapled or vulcanized together into a continuous band.

Blanketing.—Blanketing is a napped cotton cloth having comparatively fine count warp yarns and coarse soft spun filling yarns.

Blankets.—Blankets are articles, made from blanketing, cut and hemmed in sizes suitable for bedding and other purposes.

Bleached.—Bleached is a term indicating that the fibers in any state have been treated with chemicals for the purpose of whitening.

Book Cloth.—Book cloth is a woven cotton fabric which has been heavily filled, and is generally glazed and embossed.

Bloomers.—Bloomers is an article of underwear for covering the lower portion of the torso and the thighs, with elastic at waist, and with or without elastic at knees, made from a knit cotton fabric.

Braided Fabric.—Braided fabric is a flat, round or tubular narrow fabric plaited from cotton yarns.

Breeches, Riding.—Riding breeches are trousers, including jodhpurs, wide at the hips and shaped to fit the legs below the knees. They may be calf length or ankle length.

Broadcloth.—Broadcloth is a cotton fabric woven with fine yarns, with warp yarns predominating.

Buckram.—Buckram is a coarse, plain woven, light-weight cotton fabric, with a heavy glue dressing, used as stiffening material in garments or other articles.

Canton Flannel.—Canton flannel is a cotton fabric, with twill face and napped back.

Carded.—Carded is a term meaning that the cotton fibers have been separated, straightened, and mixed by passage through a carding machine but not through a comb.

Carded Fabrics.—Carded fabrics are any cotton products made from carded yarns.

Carded Yarns.—Carded yarns are yarns made of carded cotton fibers.

Card Strips.—Card strips are the flat strips, cylinder strips and doffer strips inclusive, which are removed during the carding process.

Casings, Pneumatic.—Pneumatic casings are articles made from cord, weftless cord, and/or square woven tire fabrics, impregnated and coated with vulcanized rubber and used as the outer covering or casing for pneumatic tubes.

Chambray.—Chambray is a medium weight, plain woven cotton fabric, having a colored warp and white weft, usually dressed and calendared.

Cheesecloth.—Cheesecloth is a light-weight, thin, loose woven cotton gauze, without dressing; also called tobacco cloth, and sometimes used for mosquito netting.

Chenille Fabric.—Chenille fabric is a cotton fabric woven with chenille weft yarns.

Chenille Yarn.—Chenille yarn is a cotton yarn having a cut pile protruding all around at right angles.

Coated Products.—Coated products are cotton fabrics which have been impregnated with, and/or to which have been applied, one or more layers of nitrocellulose, pigmented linseed oil, clay, rubber and/or like materials in order to impart a durable and impervious surface.

Coats, Work.—Work coats are work garments, including jumpers, that cover the torso, full button or half open, usually made from denim.

Colored.—Colored is a term meaning that the fibers, in any state of preparation, have been impregnated with dyestuffs and/or other coloring matter, but does not include articles having only colored borders, hems, selvages or occasional stripes used as distinctive markings, such as the types of towels which have a colored border or stripes.

Combed.—Combed is a term meaning that the fibers of carded cotton have been further straightened and separated by a combing machine.

Combed Fabrics.—Combed fabrics are any cotton products made from combed yarns.

Combed Yarns.—Combed yarns are yarns in which the carded cotton fibers have been passed through a comb.

Comber Waste or Comber Noils.—Comber waste or comber noils are the fibers which are combed out during the combing process.

Conveyer Belts.—Conveyer belts are cotton articles made for use in transporting merchandise and other materials, constructed from plied yarn duck, of single or numerous layers which are stitched, stapled, or vulcanized together and connected into an endless loop.

Cordage.—Cordage is a term used in a collective sense to include all kinds of twines, cords, and ropes.

Corduroy.—Corduroy is a cut weft pile fabric having a surface of pile welts.

Corset Cloth.—Corset cloth is a strong, heavy cotton fabric, satin weave, usually with woven figured designs.

Cottonades.—Cottonades are heavy, coarse, cotton fabrics plain woven with ingrain colored checks and stripes, sometimes with napped back.

Crash Towels.—Crash towels are household articles cut and hemmed from crash toweling fabric.

Crash Toweling.—Crash toweling is a medium-weight cotton toweling fabric, made with plain, twilled or herringbone weave, and usually having warp colored borders.

Crepe.—Crepe is a light-weight cotton cloth, with a fine crinkly surface.

Crinoline.—Crinoline is a stiff, open, light-weight cotton fabric heavily dressed, usually plain woven, commonly used for interlinings and hat construction.

Cut Pile Fabric.—Cut pile fabric is a cotton pile fabric, in which the upright yarn loops have been cut and brushed.

Damask, Table.—Table damask is a medium-weight cotton fabric, made with uncolored and/or colored yarns, with satin or figured reversible designs.

Denim.—Denim is a strong, heavy-weight cotton fabric, twill weave, woven ingrain with single yarns.

Diapers.—Diapers are cotton articles of infant's wearing apparel, usually made from diaper cloth.

Diaper Cloth.—Diaper cloth is an absorbent cotton fabric, with soft coarse weft yarns, and having a woven birdseye or diamond design.

Drawers.—Drawers is an article of underwear for covering the lower portion of the torso, and all, or parts, of the legs, fabricated from a knit cotton fabric.

Dresses, House.—House dresses are women's cotton outer garments, in one or more pieces, with or without sleeves, cut and sewn from light or medium weight woven cotton fabrics.

Dressing or Filling.—Dressing or filling is a preparation applied to cotton fabrics to improve the finish and/or add weight.

Drills and Twills.—Drills and twills are heavy cotton fabrics woven with twill weave and having distinct diagonal lines running across the face of the cloth.

Duck.—

Duck, Enameled.—Enameled duck is cotton duck coated with enamel.

Duck, Enameling.—Enameling duck is a heavy-weight, plain woven, cotton fabric made from single warp yarns and single or plied weft yarns.

Duck, Flat.—Flat duck is a heavy-weight, plain woven, cotton fabric made from single yarns. It is usually woven with two warp ends in each heddle.

Duck, Plied Yarn.—Plied yarn duck is a heavy-weight, plain woven, cotton fabric, made with plied yarns.

Enameled Drill.—Enameled drill is cotton drill coated with enamel.

Express Stripes or Hickory Stripes.—Express stripes or hickory stripes is a strong, medium weight cotton fabric, twill weave, woven ingrain usually with narrow alternating colored and white stripes.

Figured.—Figured is a term meaning woven or cut designs.

Flannelette.—Flannelette is a soft cotton fabric napped on both sides.

Frieze (Loop Pile) Fabric.—A frieze (loop pile) fabric is a cotton cloth with uncut loop pile on the face.

Gassed or Singed.—Gassed or singed is a term meaning that the cotton products have been subjected to a flame or hot plate in order to remove protruding fibers.

Gauze.—Gauze is cheesecloth, fully bleached, uncolored and without dressing, commonly used for surgical purposes.

Gingham.—Gingham is a light-weight cotton fabric, plain weave, with large or small check or plaid patterns, ingrain colored warp and weft yarns.

Glazed or Polished Cotton Products.—Glazed or polished cotton products are products that have been treated with dressing and subjected to brushing and/or calendering to produce a smooth, glossy surface.

Gloves.—Gloves are articles of wearing apparel for covering the hands and wrists, providing a separate compartment for each digit, fabricated from a knit or woven cotton fabric.

Chamois Suede Gloves.—Chamois suede gloves are cotton gloves made from closely knit high-count combed yarn with a suede finish on the face.

Jersey Work Gloves.—Jersey work gloves are cotton gloves made from a heavy flat knit fabric, generally fleece-lined.

Gowns, Night.—Night gowns are loose, one-piece cotton articles of nightwear, with or without sleeves.

Handkerchiefs.—Handkerchiefs are accessories of wearing apparel cut from cotton fabric and hemmed.

Hosiery.—Hosiery is knit cotton footwear of any kind whatsoever.

Flat Knit Circular Hosiery.—Flat knit circular hosiery is cotton hosiery knit with a plain smooth surface on circular seamless knitting machines, having a single cylinder, and classified as those with (1) 144 or fewer needle spaces, (2) 145 to 200 needle spaces, and (3) over 200 needle spaces.

Full Fashioned Hosiery.—Full fashioned hosiery is cotton hosiery knit on a flat machine to definite patterns to fit the shape of the leg and feet after seaming.

Ribbed Knit Hosiery.—Ribbed knit hosiery is seamless cotton hosiery, knit with a firm elastic consistency, having lateral wales on inner and outer surfaces, and produced on circular knitting machines having different sets and numbers of needles in cylinder and dial, and classified as those having (1) less than 300 needle spaces, and (2) 300 or more needle spaces.

Huckaback Toweling or Huck Toweling.—Huckaback toweling or huck toweling is cotton toweling woven with small designs and soft spun weft yarns.

Huck Towels.—Huck towels are household articles cut and hemmed from huckaback toweling fabric.

Hunting Coats and Vests.—Hunting coats and vests are cotton coats and vests for covering the torso, with or without sleeves, usually full-buttoned, with special pockets, made from a variety of cotton fabrics and generally interlined.

Infants' Wear.—See "Undershirts, Bands and Wrappers, Infants"; "Pants, Infants."

Ingrain.—Ingrain is a term indicating textile products made wholly or in part of cotton yarn that has been previously dyed.

Jerseys.—See “Pullover Sweaters and Jerseys.”

Knickers.—Knickers are short wide-leg cotton trousers fitted to the calf of the leg by bands of self material or by elastic knit cuffs.

Knit Articles Other than Hosiery.—Knit articles other than hosiery are cotton articles knitted or made from knit fabrics, except hosiery.

Knit Fabric.—Knit fabric is a cotton fabric composed of one or more systems of yarns interlacing with self, or with each other, forming rows of loops but not tied.

Lace.—Lace is a cotton fabric composed of cotton yarn or thread intertwined at intervals forming open-mesh and/or closed patterns.

Laps.—Laps are layers of carded or combed cotton fibers wound on a roller.

Picker Laps.—Picker laps are laps consisting of cotton which has been partially cleaned by one or more picking processes and formed into a lap.

Ribbon Laps.—Ribbon laps are laps formed from sliver laps.

Sliver Laps.—Sliver laps are laps formed from card slivers.

Laundry Nets and Dye Nets.—Laundry nets and dye nets are open-mesh cotton containers woven or cut and sewn into tubular form and closed on one end.

Lawn.—Lawn is a thin, sheer, plain woven cotton fabric, usually lightly dressed.

Marquisette.—See “Scrim, Curtain or Marquisette.”

Matched Patterns.—Matched patterns is a term meaning an article in which figures or colors have been pieced and fitted so that the symmetrical pattern scheme is preserved.

Mattress Felt.—Mattress felt is several layers of cotton batting arranged in tiers and cut to mattress size.

Mattress Ticks.—Mattress ticks are cotton articles of bedding, cut and sewn into a container for felt, springs, or stuffing. They are usually made from cotton ticking, or mattress damask, and tufted.

Mercerized Yarns and Fabrics.—Mercerized yarns and fabrics are cotton yarns and fabrics chemically treated under tension for the purpose of adding luster to the product.

Moleskin.—Moleskin is a strong, heavy-weight cotton fabric, napped on the back, generally with a weft faced twill or modified satin weave.

Mosquito Nettings.—Mosquito nettings are

- (1) Cotton cheesecloth, heavily sized,
- (2) Leno woven cotton gauze, heavily sized,
- (3) Lightweight cheesecloth having several warp and weft yarns placed closely to each other at regular intervals, being about 180 meshes per square inch,
- (4) Machine-made cotton netting of yarns twisted around each other so as to produce hexagonal meshes, called bobbinette.

Mufflers.—See “Scarfs or Mufflers.”

Napkins.—Napkins are cotton household articles; usually damask, cut square and hemmed, or fringed on two or four sides.

Napped Fabric.—Napped fabric is a cotton fabric which has been scratched and/or brushed, in order to raise the loose fibers into a nap, on one or both sides.

Narrow Fabric (12 inches or under) Elastic or Non-elastic.—Narrow fabric (12 inches or under) elastic or non-elastic, is a woven, knit or braided web, tape, or tube with fast selvages and/or cut edges. When fabricated with the introduction of rubber thread it becomes elastic.

Net.—Net is a cotton fabric made of yarn or twine knotted into open meshes of uniform size and shape.

Noncotton Content.—Noncotton content is any material other than cotton contained in or attached to cotton articles as a part thereof, such as sizing or buttons, or rayon, silk or any other textile fibers. However (except as to "rugs and mats, other than cotton weft"), the "noncotton content" figures given in the table of conversion factors herein established contain no allowance for rayon, silk, or other textile fibers.

Novelty Yarn.—Novelty yarn is a cotton yarn having an unusual appearance, such as loops, knobs, or corkscrew effects.

Oilcloth.—Oilcloth is a cotton fabric spread or coated with enamel, or with vegetable oil, or animal oil, or other oils, mixed with pigments and/or minerals.

Oilcloth, Table and Shelf.—Table and shelf oilcloth is oilcloth with a muslin or other light cotton fabric base.

Osnaburg.—Osnaburg is a plain woven, strong, coarse fabric made of carded cotton and/or carded cotton waste yarns.

Outerwear, Knit.—Knit outerwear is a knit cotton garment for outerwear of any type whatsoever, but does not include hosiery.

Overalls.—Overalls is a work garment, usually made from denim, either sleeveless with a bib and straps over the shoulders, or with sleeves and a long open front.

Pajama Checks or Nainsook Checks.—Pajama checks or nainsook checks are medium-weight cotton fabrics with a distinctive cross bar pattern.

Pajamas.—Pajamas are garments of night wear, either in one piece, with pants effect, or in two pieces, consisting of blouse and pants.

Pants, Infants'.—Infants' pants are knit pants for infants' underwear.

Pants, Knit.—Knit pants are close-fitting knit cotton articles of underclothing without elastic at the bottoms.

Pants, Work.—Work pants are men's outer garments, including dungarees, usually made of coarse cotton fabrics such as denims, cottonades or trouserings and duck, for covering the lower part of the torso and legs.

Pile Fabric.—Pile fabric is a cotton fabric having a surface made of upright loops which may be cut or uncut.

Pillow Cases.—Pillow cases are cotton articles of bedding, woven or sewn into tubular form, closed on one end, and hemmed, for use as coverings for bed pillows.

Pin Checks.—Pin checks is a medium-weight cotton fabric plain weave, with ingrain small checked or striped patterns.

Pique.—Pique is a heavy, stout cotton fabric having a raised surface of transverse cords or welts.

Plush.—Plush is a cotton fabric having a deep cut pile.

Polished.—See "Glazed or Polished Cotton Products."

Poplin.—Poplin is a medium-weight cotton fabric, plain weave, with fine cross rib effect, warp yarns predominating.

Powder Puffs.—Powder puffs are cosmetic accessories quilted from cut pile cotton fabrics.

Print Cloth.—Print cloth is a plain woven, medium-weight cotton fabric, made with single carded yarns.

Printed Fabrics.—Printed fabrics are cotton fabrics decorated by printing with dyes, chemicals, or other substances.

Pull-Over Sweaters and Jerseys.—Pull-over sweaters and jerseys are knit cotton outer garments with no fastenings, with or without sleeves, to be put on by pulling over the head.

Quilting.—See "Bedspreads and Quilting."

Rep.—Rep is a heavy cotton fabric having a transverse corded surface.

Roving.—Roving is a slightly twisted, soft, and thick rope of cotton fibers.

Rubber Coated and Rubberized.—Rubber coated or rubberized fabrics are cotton fabrics spread, coated, and/or impregnated with rubber.

Rugs or Mats.—Rugs or mats are cotton floor coverings, cut from fabrics woven and defined for cutting, hemming, and/or fringing, and sometimes made with a weft other than a cotton yarn weft.

Sateen.—Sateen is a closely woven cotton cloth, the face of which is formed either by the warp or the weft in satin weave.

Scarfs or Mufflers.—Scarfs or mufflers are outerwear accessories cut to specified lengths from cotton fabric and faced, hemmed and/or fringed.

Scrim, Curtain or Marquisette.—Curtain scrim or marquisette is a light-weight cotton fabric with leno open weave.

Second-hand Articles.—Second-hand articles are cotton articles that have been actually used for some clothing, or industrial, or household or other purpose, and which have been reclaimed and held for sale.

Seersucker.—Seersucker is a light-weight cotton fabric, plain weave, with puckered and ingrain stripes alternating.

Sewing Thread.—See "Thread."

Shade Cloth.—Shade cloth is a light-weight, plain woven cotton fabric, heavily filled, usually with clay, and designed for use on window shade rollers.

Sheetings.—Sheetings are plain woven, heavy or medium weight cotton fabrics made with single carded yarns.

Shirting, Madras.—Madras shirting is a medium-weight cotton fabric, woven with plain white, or colored narrow stripes, or small checks ingrain.

Shirts, Other Than Work.—Shirts, other than work, are cotton articles of men's wearing apparel for covering the torso and arms, with or without collar attached, usually with full button front, but sometimes buttoned in back for evening wear, made from light to medium-weight woven cotton fabrics, plain, or with matched patterns.

Shirts, Work.—Work shirts are cotton outer garments of male attire, for covering the torso and arms, usually with soft attached collar, half-open or full-buttoned in front, made of medium to heavy-weight cotton fabrics which are usually chambrays, coverts or khakis.

Shorts.—Shorts are articles of underwear, similar in style to thigh-length drawers, fabricated from a woven cotton fabric.

Size or Sizing.—Size or sizing is a preparation applied to cotton warp yarns to facilitate weaving and/or add weight.

Sleepers.—Sleepers are one-piece sleeping garments for children, covering the entire body with the exception of head, neck, hands, and sometimes the feet, fabricated from a knit cotton fabric.

Slips.—Slips are articles of women's and girls' underwear, with skirt and bodice in one piece, sleeveless and with built-up strap shoulders.

Sliver.—Sliver is a continuous rope of loose, untwisted cotton fibers.

Smocks.—Smocks are loose, one-piece, protective outer garments, usually with full length front opening.

Step-ins.—Step-ins, an article of women's underwear, are thigh-length drawers, fabricated from a cotton fabric.

Suits, Seersucker.—Seersucker suits are two-piece summer-outfit garments for male attire, consisting of coat and pants, and made of seersucker.

Super-carded Yarns.—Super-carded yarns are yarns in which the cotton fibers have been carded twice, or have received an extra amount of carding through which an additional amount of card strips and other waste are removed.

Sweat Shirts.—See "Pull-over Sweaters and Jerseys."

Sweater, Coat.—Coat sweater is a full length, front-opening, knit cotton sweater which buttons from neck to bottom.

Table Cloths.—Table cloths are cotton household articles, cut and hemmed or fringed on both ends, or hemmed on all sides, and are usually made from damask.

Tapestries.—Tapestries are medium and heavy-weight cotton fabrics, usually woven with elaborate pictorial or verdure all-over designs, and generally woven ingrained.

Terry Fabric.—Terry fabric is a cotton pile fabric in which the back and face pile loops are uncut.

Terry Towels.—Terry towels are cotton household articles made from terry fabric, cut and hemmed or fringed.

Thread.—Thread is a cotton line composed of two or more converted cotton yarns usually used for sewing purposes.

Ticking.—Ticking is (1) a heavy, stout cotton fabric, warp face twill or sateen, woven ingrain with colored warp yarns; or (2) a cotton damask, all-over designs, in mattress size, usually woven ingrain with colored yarns.

Tire Fabrics, Cord.—Cord tire fabrics are cotton fabrics woven with cabled cord warp and an occasional weft pick sufficient to hold fabric together.

Tire Fabrics, Square Woven.—Square woven tire fabrics are strong, stout, heavy, woven cotton cloth, plain or leno weave, made with plied yarns.

Tire Cord, Weftless.—Weftless tire cord is a plurality of cabled cotton cords without interlacing weft yarns.

Tobacco Cloth.—See "Cheesecloth."

Tracing Cloth.—Tracing cloth is a fine, plain woven cotton fabric heavily dressed, glazed, and transparent enough to permit tracing with ink and copying.

Training Pants.—Training pants are heavy-weight knit athletic or gymnasium cotton pants, usually with ankle length, loose-fitting legs, and with draw-string or elastic top and bottoms.

Trousering.—Trousering is a heavy coarse cotton fabric, twill weave, ingrain checks and stripes, sometimes with back napped.

Trunks.—Trunks are an article of underwear, covering the lower part of the torso and thighs, fabricated from a knit cotton fabric.

Twine.—Twine is a line or a cord made up of one or more yarns of medium or hard cabled twist, used for tying, making nets, and other purposes.

Tubular Knit Fabric.—Tubular knit fabric is seamless fabric, composed of looped and interlaced cotton yarns, produced on a circular knitting machine.

Undershirts, Athletic.—Athletic undershirts are a pull-over type undershirt cut deep at the neck and arm holes, fabricated from a light-weight knit cotton fabric.

Undershirts, Bands and Wrappers, Infants'.—Infants' undershirts, bands and wrappers are articles of underwear for covering the upper part of the torso, with full open front and double-breasted, fastening with either ties or buttons, fabricated from a knit cotton fabric.

Undershirts, Other than Athletic and Infants'.—Undershirts, other than infants' and athletic, are articles of underwear covering the torso, with or without sleeves, either pull-over style or half-open, fabricated from a knit cotton fabric.

Underwear.—Underwear is a collective term including cotton garments of any type whatsoever worn under the visible apparel, hosiery excepted.

Uniforms, Maids', Nurses', Etc.—Maids', Nurses' and other kinds of women's uniforms are one-piece or two-piece suits, consisting of blouse and skirt, made of cotton woven fabrics, generally having distinctive characteristics of servitude or profession.

Uniforms, Men's Two-piece.—Men's uniforms, two-piece, are suits consisting of jacket or coat and trousers, made of woven cotton fabrics, generally bearing distinctive characteristics of servitude, profession or fraternalism.

Union Suits.—Union suits are one-piece articles of cotton underwear, knit or woven, usually full buttoned, with or without sleeves, and either long or short legs.

Velour or Cotton Velvet.—Velour or cotton velvet is a cut cotton warp pile fabric.

Velveteen.—Velveteen is a cut cotton weft pile fabric.

Vests, Women's.—Women's vests are articles of underwear, generally for covering only the torso, sometimes having sleeves, and fabricated from knit cotton fabrics.

Voile.—Voile is a light-weight, low count, cotton dress fabric, plain weave, made with hard or slack twisted yarns, usually gassed.

Waistsuits, Children's and Infants'.—Children's and infants' waistsuits are articles of underwear, torso length, buttoned front or back, reinforced by tape or other fabric, and having a number of extra buttons usually sewed on with tape to support outer garments, fabricated from knit cotton fabrics.

Warps.—Warps are cotton yarns forming the lateral basis of fabrics.

Waste.—Waste is motes and fly, card strips, comber noils, slasher waste, cuttings, clippings, rags, and similar materials (not including

substandard products and short length piece goods) incident to the processing, manufacturing or fabricating of cotton or of cotton products.

Weft.—Weft is the system of yarns in woven cotton fabrics which interlaces with the warp yarns.

Woven fabrics.—Woven fabrics are fabrics composed of different systems of yarn which interlace with each other.

Yarn.—Yarn is a continuous strand, single or plied, spun from cotton fibers.

II. CONVERSION FACTORS

In lieu of and in revision of the third paragraph of the above-mentioned Cotton Regulations, Series 2, Supplement 1 (which said paragraph was adopted in lieu of and in revision of the fourth paragraph of the above-mentioned Cotton Regulations, Series 2), I do hereby establish that the conversion factors for articles processed from cotton, effective on and after December 1, 1933, to determine the amount of tax imposed or refunds to be made with respect thereto, are as follows:

The following table fixes (1) the conversion factors, being the percentage of the per-pound processing tax on cotton, with respect to each pound of the cotton content of the following articles processed from cotton, which cotton content is found by deducting from the total weight of such articles the percentage of the total weight thereof represented by the weight of sizing or buttons, rayon, silk, other textile fibers, or other noncotton content, and (2) the percentage of the total weight of said articles determined to represent, as to "rugs and mats other than cotton weft," the weight of all noncotton content, and, as to all other said articles, the weight of all noncotton content except rayon, silk and other textile fibers other than cotton:

Articles	Carded						Combed					
	Un-bleached not colored		Un-bleached colored		Bleached colored or uncolored		Un-bleached not colored or mercerized		Un-bleached colored and/or mercerized		Bleached colored or uncolored—mercerized or unmercerized	
	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹
	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent
Laps:												
Picker (before carding).....	105	0	109	0	112	0						
Ribbon and sliver.....	110	0	113	0	117	0						
Sliver.....	109	0	112	0	116	0	116	0	120	0	124	0
Roving.....	110	0	114	0	117	0	118	0	122	0	126	0
Waste:												
Card strips.....	60	0	60	0	60	0						
Comber waste.....							80	0	80	0	80	0
All other.....	0		0		0		0		0		0	

Notes at end of tabulation.

Articles	Carded						Combed					
	Un-bleached not colored		Un-bleached colored		Bleached colored or uncolored		Un-bleached not colored or mercerized		Un-bleached colored and/or mercerized		Bleached colored or uncolored—mercerized or unmercerized	
	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹
	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent
Yarn:	118	0	122	0			125	0	129	0	135	0
Chenille.....	113	0	116	0			123	0	127	0		
Gassed.....	114	0	117	0	122	0						
Novelty.....	112	0	115	0	120	0	121	0	125	0	131	0
Supercarded.....												
All other.....												
Thread, twine and cordage:												
Thread:												
Glazed.....	113	4.0	117	4.0	122	4.0	123	4.0	126	4.0	132	4.0
Other than glazed.....	113	2.0	117	2.0	122	2.0	123	2.0	126	2.0	132	2.0
Twine and cordage:												
Polished.....	112	10.0	115	10.0								
Not polished.....	112	0	115	0	117	0						
Woven fabrics—over 12 inches wide:												
Auto slip cover.....			117	5.0								
Awning stripes:												
Ingrain and printed.....			116	5.0								
Painted and stenciled.....			116	15.0								
Bedspreads and quilting.....	118	2.0	122	2.0	129	4.0	135	1.0	139	1.0	142	1.0
Blanketing.....	117	2.5	120	2.5	126	0						
Broadcloth.....	115	7.0	119	5.0	126	4.0	127	7.0	131	3.0	139	1.0
Buckram.....	115	55.0	119	55.0								
Canton flannel.....	117	2.5	120	2.5	128	0.5						
Chambray.....			117	7.5								
Chenille.....	121	3.0	125	3.0								
Corduroy.....	118	2.5	122	2.5	127	8.0	129	2.0	133	5.0	139	8.0
Corset cloth.....							127	5.0	131	4.0	137	4.0
Cottonades and trousering.....			117	6.0								
Crash toweling.....	116	2.5			122	1.0						
Crepe.....	115	5.0	119	5.0	126	3.0	127	5.0	131	3.0	139	3.0
Crimoline.....	115	38.0	119	38.0	126	38.0						
Damask—table.....	115	5.0	119	5.0	126	4.0	127	5.0	131	3.0	139	3.0
Denim.....			118	7.5								
Diaper cloth.....	115	3.0			126	0						
Drills and twills.....	116	5.5	120	5.0	123	4.0	127	5.0	131	4.5	139	4.0
Duck:												
Enameling.....	116	6.5	120	4.0								
Flat.....	116	6.5	120	5.0	124	6.5						
Plied yarn.....	114	0	118	0	120	0						
Express stripes or hickory stripes and pin checks.....			117	7.5								
Flannelette.....	119	2.5	123	2.5	130	0.5						
Frieze.....			133	1.0					144	1.0		
Gingham.....			121	7.0					135	4.0		
Huckaback toweling.....	116	3.0			126	2.0						
Lawn.....	116	5.0	120	4.0	126	3.0	127	5.0	131	3.0	139	2.0
Marquissette or curtain scrim.....							127	3.0	131	3.0	139	3.0
Moleskin.....	117	2.5	121	2.5	124	1.0						
Mosquito netting.....	115	8.0	119	8.0	126	8.0						
Osna burg.....	118	5.0	122	2.0	125	2.0						
Pajama checks or nainsook checks.....	115	6.0	119	7.0	126	7.0	127	5.0	131	3.0	139	3.0
Pique.....	115	5.0	119	5.0	126	5.0	127	5.0	131	3.0	139	3.0
Plush and velour:												
Figured.....			139	1.0					152	1.0		
Not figured.....	128	0	132	1.0	138	0	139	0	143	1.0	149	0
Poplin.....	115	5.0	119	4.0	126	5.0	127	5.0	131	2.0	139	2.0
Print cloth.....	115	6.5	119	6.0	122	7.0						
Rep.....	115	5.0	119	3.0	122	2.0	127	5.0	131	2.0	139	1.0
Sateen.....	116	6.0	120	5.0	123	4.0	127	6.0	131	4.0	139	3.0
Seersucker.....			117	5.0								

Notes at end of tabulation.

Articles	Carded						Combed					
	Un-bleached not colored		Un-bleached colored		Bleached colored or uncolored		Un-bleached not colored or mercerized		Un-bleached colored and/or mercerized		Bleached colored or uncolored—mercerized or unmercerized	
	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹
Woven fabrics—Continued.	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Sheetings:												
Over 40 inches.....	115	4.0	119	3.0	126	2.0	127	4.0	131	3.0	139	2.0
40 inches and less.....	116	5.0	120	5.0	122	6.0			137	1.0		
Shirting—madras.....	115	6.5	119	4.0	126	4.0	127	5.0	131	3.0	139	2.0
Tapestry.....			126	1.0					137	1.0		
Terry pile.....	115	3.0	119	0	124	0	127	2.0	131	0	139	0
Ticking.....			117	7.5								
Tire fabrics:												
Cord, and weftless cord.....	114	0					122	0				
Square woven.....	114	0										
Tobacco cloth and cheese-cloth.....	115	4.0	119	2.0	126	2.0						
Velveteen.....	118	2.5	122	2.0	127	2.0	129	2.0	133	1.0	139	1.0
Voile.....	115	4.0	119	2.0	126	3.0	127	2.0	131	2.0	139	2.0
All other:												
Napped.....	118	2.5	122	1.0	129	0						
Not napped.....	115	5.0	118	4.0	125	3.0	127	4.0	131	3.0	139	2.0
Narrow fabrics (12 inches and under) woven or braided:												
Non-elastic.....	115	4.0	119	3.0	123	5.0	125	4.0	129	3.0	133	2.0
Elastic.....	115	25.0	119	25.0	123	25.0	125	25.0	129	25.0	133	25.0
Knit fabrics.....	115	0	119	0.5	123	0	125	0	128	0.5	133	0
Knit articles other than hosiery:												
Outerwear:												
Bathing suits.....			150	3.0								
Coat-sweater.....	125	2.0	129	2.0	134	2.0						
Gloves:												
Jersey work.....			143	1.0								
Chamois suede.....							152	1.0	157	1.0	169	1.0
Pull-over-sweaters and jerseys.....	139	0	143	0	148	0						
Scarfs and mufflers.....	118	0	121	0	126	0						
Sweat shirts.....	124	0	128	0	132	0						
Training pants.....	127	0	131	0	135	0						
All other.....	128	1.0	132	1.0	137	1.0	142	1.0	146	1.0	151	1.0
Underwear:												
Bands and wrappers, infants'.....	129	0	131	0	133	0	140	0	144	0	145	0
Drawers, bloomers, step-ins, and pants, except infants'.....	129	1.0	131	1.0	133	1.0	140	1.0	144	1.0	145	1.0
Pants, infants'.....	138	0.5	144	0.5	149	0.5	150	0.5	155	0.5	162	0.5
Sleepers.....	132	2.0	136	2.0	140	2.0	143	2.0	147	2.0	152	2.0
Undershirts:												
Athletic.....	138	0	144	0	149	0	150	0	155	0	162	0
Infants'.....	133	0.5	135	0.5	138	0.5	145	0.5	149	0.5	150	0.5
Other.....	129	1.0	131	1.0	133	1.0	140	1.0	144	1.0	145	1.0
Vests.....	129	0	131	0	133	0	140	0	144	0	145	0
Union suits.....	132	1.5	136	1.8	140	2.0	143	2.0	147	2.5	152	3.0
Waist suits, children's.....	138	4.0	144	4.0	149	4.0	150	5.0	155	5.0	162	5.0
All other.....	133	1.0	136	1.0	139	1.0	143	1.0	147	1.0	150	1.0
Lace.....	120	7.0	124	7.0	132	7.0	131	7.0	135	7.0	143	7.0
Articles made from lace:												
In the manufacture of which the lace is cut parallel and/or at right angles to selvage.....	127	7.0	131	7.0	138	7.0	137	7.0	142	7.0	150	7.0
In the manufacture of which the lace is cut other than parallel and/or at right angles to selvage.....	142	7.0	146	7.0	155	7.0	154	7.0	158	7.0	168	7.0

Notes at end of tabulation.

Articles	Carded				Combed			
	Unbleached not colored		Colored or bleached		Unbleached not colored or mercerized		Colored, bleached, or mercerized	
	Conver- sion fac- tor	Non- cotton con- tent ¹	Conver- sion fac- tor	Non- cotton con- tent ¹	Conver- sion fac- tor	Non- cotton con- tent ¹	Conver- sion fac- tor	Non- cotton con- tent ¹
Articles made from fabrics other than knit and lace, in the manufacture of which the cloth is cut or torn parallel to the warp and/or weft:	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Bags.....	117	5.0	122	12.0				
Bed sheets.....	118	4.0	129	3.0			143	2.0
Bed spreads.....	123	1.0	135	3.0			150	3.0
Blankets.....			130	2.5				
Conveyor belts and machinery belts.....	115	0						
Diapers.....			128	0				
Gauze.....			126	0				
Handkerchiefs.....			126	5.0			143	2.0
Laundry nets and dye nets.....	116	0						
Mattress ticks.....			121	7.5			143	3.0
Napkins.....			129	4.0			143	3.0
Pillowcases.....	118	4.0	129	3.0			143	2.0
Rugs and mats:								
Chenille.....	121	3.0	125	3.0				
Cut pile:								
Cotton weft.....			144	1.0			156	1.0
Other than cotton weft.....			145	19.0			157	19.0
Frieze.....			133	1.0			144	1.0
Terry.....	119	3.0	125	0			142	0
Other than pile.....	122	3.0	126	1.0	132	3.0	137	1.0
Table cloths.....			129	4.0			143	3.0
Towels:								
Crash.....	119	2.5	125	1.0				
Huck.....			129	2.0				
Terry.....			127	0			142	0
All other:								
Not colored.....	118	3.0	127	4.0	135	3.0	143	2.0
Colored.....			125	4.0			139	2.0

Articles	Carded		Combed	
	Conver- sion fac- tor	Noncot- ton content ¹	Conver- sion fac- tor	Noncot- ton content ¹
Articles made from fabrics other than knit and lace, in the manufacture of which the cloth is cut other than parallel to the warp and/or weft:	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Bathrobes.....	136	2.0		
Breeches, riding.....	131	5.0	150	4.0
Coats:				
Work.....	131	6.5		
Hunting.....	134	6.0		
Dresses, house:				
Matched pattern.....	139	5.0	153	4.0
Other than matched pattern.....	133	4.0	151	3.0
Gloves.....	138	2.5		
Gowns, night.....	137	3.0	151	2.0
Knickers.....	127	5.0		
Overalls and work pants.....	128	8.5		
Pajamas:				
Matched pattern.....	138	5.0	158	4.0
Other than matched pattern.....	133	5.0	151	4.0
Powder puffs.....	159	0	171	0

Notes at end of tabulation.

Articles	Carded		Combed	
	Conversion factor	Noncotton content ¹	Conversion factor	Noncotton content ¹
Articles made from fabrics other than knit and lace, in the manufacture of which the cloth is cut other than parallel to the warp and/or weft—Continued.				
Shirts:				
Other than work:	Percent	Percent	Percent	Percent
Matched pattern.....	143	7.0	158	5.0
Other than matched pattern.....	136	7.0	151	5.0
Work.....	126	7.0	—	—
Shorts.....	139	6.0	154	4.0
Slips.....	134	5.0	149	3.0
Smocks.....	127	6.0	—	—
Suits, seersucker.....	133	6.0	—	—
Uniforms:				
Men's, 2-piece.....	132	7.0	—	—
Maids', nurses', etc.....	136	7.0	—	—
Union suits.....	139	8.0	154	5.0
Vests—hunting, etc.....	131	8.0	—	—
All others:				
Bleached:				
Other than matched pattern.....	136	5.0	151	4.0
Matched pattern.....	142	5.0	158	4.0
Unbleached:				
Other than matched pattern.....	128	7.0	142	5.0
Matched pattern.....	134	7.0	149	5.0
Hosiery:				
Flat knit—circular:				
144 needles and less.....	121	0	131	0
145 to 200 needles.....	124	0	135	0
Over 200 needles.....	128	0	139	0
Ribbed knit—circular, basis size, 9 inches:				
Less than 300 needles.....	121	0	131	0
300 needles and over.....	124	0	135	0
Full fashioned.....	128	0	139	0
Coated products:				
Oilcloth:				
Table and shelf.....	122	83.0	—	—
Enameled:				
Drill.....	122	60.0	—	—
Duck.....	122	55.0	—	—
Adhesive tape.....	142	50.0	—	—
Artificial leather.....	122	50.0	—	—
Tracing cloth.....	—	—	140	40.0
Book cloth.....	127	50.0	139	50.0
Shade cloth.....	122	50.0	—	—
Rubber-coated and rubberized, except pneumatic casings.....	126	60.0	—	—
All other.....	124	50.0	140	50.0
Pneumatic casings.....	120	80.0	128	80
Absorbent cotton.....	125	0	—	—
Batting and mattress felts.....	105	0	—	—
Second-hand articles.....	0	—	0	—
Articles processed in whole from comber waste ²	—	—	—	—
Articles processed in part from comber waste ³	—	—	—	—
Articles processed in whole from card strips ⁴	—	—	—	—
Articles processed in part from card strips ⁵	—	—	—	—
Articles processed in whole from second-hand articles or from waste other than card strips or comber waste.....	0	—	0	—
Articles processed in part from second-hand articles or from waste other than card strips or comber waste.....	—	—	—	—

¹ No allowance is included for the rayon silk, or other textile fiber content of articles except as to rugs and mats, other than cotton weft).

² The conversion factor for such articles shall be 85 per centum of the above established conversion factor for like articles processed from raw cotton.

³ The conversion factor for such part of such articles shall be 85 per centum of the above established conversion factor for like articles processed from raw cotton.

⁴ The conversion factor for such articles shall be 65 per centum of the above established conversion factor for like articles processed from raw cotton.

⁵ The conversion factor for such part of such articles shall be 65 per centum of the above established conversion factor for like articles processed from raw cotton.

⁶ The conversion factor for such part of such articles shall be 0 per centum.

A. As to any article for which no conversion factor is assigned, I hereby establish (1) that, if such article is made, directly or indirectly, in some part from another article for which a conversion factor is assigned, then as to each pound of the cotton content of such part the conversion factor shall be the conversion factor for such other article, and (2) that, if such article is made, directly or indirectly, in some part from cotton, but not as to such part from another article for which a conversion factor is assigned, then as to such part, the tax or refund shall be computed at the rate of the processing tax, upon the basis of the amount of cotton established to have been actually used in the production of such part.

B. In the event that any taxpayer or person entitled to a refund establishes that any article processed from cotton, with respect to which a tax is imposed, or which may be the subject of a claim for refund, which is included in the above list, contains more or less cotton than represented by the listed conversion factor, then the amount of the tax or of the refund shall be computed at the rate of the processing tax, upon the basis of the amount of cotton established to have been actually used in the production of the article, with proper allowances for card strips and comber waste based on the conversion factors hereinabove established therefor.

C. In the event that any taxpayer or person entitled to a refund establishes that any article processed from cotton, with respect to which a tax is imposed, or which may be the subject of a claim for refund, which is included in the above list, has more or less noncotton content of the kind for which provision has been made hereinabove, than that represented by the percentage of total weight of the article deductible for noncotton content to determine the cotton content of the article, then the amount of the noncotton content to be deducted from the total weight of the article shall be the amount of noncotton content established to be actually contained in the particular article. The noncotton content to which this election refers does not include rayon, silk, or other textile fiber content of articles (except as to "rugs and mats, other than cotton weft").

In witness whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the City of Washington, this 29th day of November, 1933.



R. G. Tugwell

Acting Secretary of Agriculture.

Approved:

Franklin D. Roosevelt

The President of the United States.

NOVEMBER 29, 1933.

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration

INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS
FOR THE 1938-1939 MARKETING YEAR
NORTH CENTRAL REGION

AUG 25 1938

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The section references shown in brackets at end of certain paragraphs in these instructions refer to the sections in Cotton-207, "Regulations Pertaining to Cotton Marketing Quotas for the 1938-39 Marketing Year" on which the instructions contained in the respective paragraphs in these instructions are based.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS FOR THE
1938-1939 Marketing Year

PART II. COUNTY OFFICE RECORDS AND REPORTS

Section 201. General Instructions. (a) Part II of these instructions relates to specific provisions of Cotton 207, "Regulations Pertaining to Cotton Marketing Quotas for the 1938-1939 Marketing Year" (hereinafter referred to as the "regulations"), and outline the nature, use, and accounting for of certain forms, records, reports, accounts, and files of the County Committee in connection therewith. The instructions are concerned primarily with the duties of the County Committee and the Treasurer of the County Committee. The records, reports, accounts, and files prescribed by the regulations and these instructions shall at all times be subject to periodic as well as special examination and audit by authorized representatives of the Secretary of Agriculture or the Agricultural Adjustment Administration.

(b) 1. The farm serial number referred to in the regulations and these instructions shall be the serial number assigned to the farm for the purposes of the 1938 Agricultural Conservation Program.

2. The County Committee shall ascertain the name and address of each gin situated within the county and shall assign to such gins consecutive serial numbers beginning with number 1, for the purpose of identifying and filing forms Cotton 216. Forms Cotton 216 submitted to the treasurer from any other county shall be identified and filed by the name of the county in which the gin is situated and the serial number assigned to the gin by the County Committee for such county.

3. All forms printed with serial numbers will be consigned to the County Committee by the State Office of the Agricultural Adjustment Administration (hereinafter referred to as the "State Office") and each shipment thereof will be accompanied by the original and one copy of a letter of transmittal on form Cotton 252. The Treasurer of the County Committee shall verify the correctness of each shipment by comparing the serial numbers of the particular form received with those shown on form Cotton 252 and any discrepancies shall be noted on the original and copy of form Cotton 252. The original of form Cotton 252 shall be signed by the Treasurer of the County Committee as a

receipt for such forms and returned to the State Office. It shall be the duty of the Treasurer of the County Committee to account for the disposition of all serially numbered forms by recording the issuance thereof on the records maintained in the office of the County Committee (hereinafter referred to as the "County Office"), or by receipts on form Cotton 252 for unused forms returned to the State Office or forwarded to other County Offices, at the direction of the State Office.

(c) The following is a list of the various forms and a brief statement of the purpose of each:

Form Cotton 209, entitled "Notice of Farm Cotton Acreage Allotment, Yield, and Marketing Quota," will be used to notify producers, on each farm in the county for which a cotton acreage allotment was established, of the farm cotton acreage allotment and the normal yield per acre of lint cotton therefor which were approved by the State Committee and of the amount of the farm marketing quota expressed in terms of the normal production of the farm acreage allotment. It will be addressed to the operator of the farm and will constitute a notice to all producers on the farm. It will be prepared in duplicate and signed for the County Committee by a member thereof. The original must be mailed to the operator on the date of the committeeman's signature and a copy bearing the same date will be filed in the folder for the farm. Form Cotton 209 may be prepared from data shown on form Cotton 210. (Sec. 203; 208)

Form Cotton 210, entitled "Farm Cotton Acreage Allotments, Yields, and Marketing Quotas," will be prepared in triplicate to publish farm cotton acreage allotments, normal yields per acre of lint cotton, and farm marketing quotas. The acreage allotments and yields to be shown in form Cotton 210 will be taken from Form NCR-209a which has been approved by the State Committee. The original shall be posted in a conspicuous place in the county (or each local administrative area therein) for a period of not less than 30 calendar days. One copy shall be placed in a binder and kept available for public inspection in the County Office, and one copy shall be furnished to the County Agricultural Extension Agent (hereinafter referred to as the "County Agent") to be kept available for public inspection in his office. (Sec. 202)

Form Cotton 211, the white marketing card, entitled "Cotton Marketing Card for 1938-1939 Marketing Year," is to be used by the producer to whom issued to identify cot-

ton at the time it is marketed as being (1) cotton the marketing of which is not subject to penalty, or (2) cotton with respect to the marketing of which the payment of the penalty has been secured, or (3) cotton with respect to the marketing of which the penalty will not be paid until it is determined that the total production in 1938 of lint cotton on the farm exceeds 1,000 pounds, or (4) short staple cotton from any previous crop which a producer to whom form Cotton 214 was issued has on hand. Form Cotton 211 will be issued by the County Committee and a record of such issuance kept on form Cotton 250. [Sec. 401(a); 401(c) 402(d); 402(e); 408(b); 502; 507]

Form Cotton 211-A, entitled "Cotton Marketing Certificate for Farm Planting Within Acreage Allotment", will be used by a producer to whom form Cotton 211 or form Cotton 214 was issued to identify cotton marketed by any means or method other than directly to and in the presence of the buyer or transferee. Forms Cotton 211-A will be issued, upon request of the producer, by the County Committee and a record of such issuance kept on form Cotton 253. The postal card copy (form Cotton 211-A-t), when executed by the producer and buyer or transferee and returned to the County Office, will be filed in the folder for the farm. [Sec. 401(d); 408(b); 602(a)2.]

Form Cotton 212, the red marketing card, entitled "Cotton Marketing Card for 1938-1939 Marketing Year", is to be used by a producer on a farm on which the acreage planted to cotton is in excess of the acreage allotment as evidence of the amount of cotton which he may market without payment of the penalty. Form Cotton 212 will be printed as a part of the book of forms Cotton 213. It will be issued by the County Committee and a record of such issuance kept on form Cotton 253. [Sec. 204(a); 402(b); 402(c); 403(b); 403(c); 405; 406; 408(c); 602(a)3; 602(a)4; 602(a)5; 603; 604.]

Form Cotton 212-A, entitled "Agreement and Request of producers on the Farm That a Red Marketing Card (Form Cotton 212) for the Farm Be Issued to the Operator", will be used in cases where all the producers on a farm on which the acreage planted is in excess of the acreage allotment request the County Committee to issue a form Cotton 212 to the operator of the farm rather than to each producer. The original of form Cotton 212-A will be filed in the folder for the farm. The operator and other producers, if they so desire, may for their own use prepare additional copies of form Cotton 212-A. [Sec. 402(b).]

Form Cotton 213, entitled "Cotton Marketing Record and Penalty Receipt", will be used in connection with form Cotton 212 as a record of the number of pounds of cotton marketed and the amount of the penalty, if any, and will serve as a receipt issued by the buyer or transferee to the producer for the penalty, if any, collected or deducted. It will be printed in sets of 3 with inserted carbons and bound in books containing either 5 or 25 sets. Form Cotton 212 will be printed as one cover of each book. Forms Cotton 213 will be issued by the County Committee and a record of such issuance kept on form Cotton 253, together with the record of the related form Cotton 212. The postal card copy (form Cotton 213b), when executed by the producer and the buyer or transferee and returned to the County Office, shall be posted to form Cotton 254 and filed in the folder for the farm. [Sec. 408(c); 602(a)3; 602(a)4; 602(a)5; 603; 604].

Form Cotton 214, entitled "Sea Island or American-Egyptian Cotton Marketing Certificate", will be issued by the County Committee to producers on farms on which cotton from a pure strain of Sea Island or American-Egyptian cotton is produced in 1938 provided such farms are located in a district where such cotton is commonly grown. A record of the issuance of forms Cotton 214 will be kept on form Cotton 250. [Sec. 404(a); 408(d); 503(b)].

Form Cotton 215, entitled "Bond of Indemnity", will be executed by the operator or owner of a farm on which cotton has been planted in excess of the farm cotton acreage allotment who desires to secure in this manner the payment of any penalty which may be incurred. Form Cotton 215 will be prepared in quadruplicate. When approved by the County Committee, the original will be recorded on form Cotton 254 and filed in the folder for the farm, one copy retained by the producer, and one copy retained by each of the two sureties. [Sec. 402(d); 507].

Form Cotton 216, entitled "Ginner's Record and Report", will be prepared in duplicate and submitted to the Treasurer of the County Committee by ginnermen as periodic records and reports of cotton ginned. The original of form Cotton 216 will be posted to forms Cotton 251 and 254 and will be filed in the folder for the gin. A copy of each form Cotton 216 executed by the ginner will be retained by him. [Sec. 601].

Form Cotton 217, entitled "Farm Operator's Report", will be prepared in duplicate by the operator of each farm on which cotton has been planted in excess

of the farm cotton acreage allotment and will constitute the report of the amount of cotton produced by or for each producer on the farm, the apportionment or reapportionment of the producer marketing quotas, and the amount of penalty incurred and paid by each such producer. The original will be filed in the folder for the farm and the copy retained by the farm operator. [Sec. 507(d); 603(b).]

Form Cotton 218, entitled "Farms Overplanting Cotton Acreage Allotments", will be prepared in duplicate by the County Committee with respect to the farms planted in excess of the farm cotton acreage allotments. The original will be forwarded to the State Committee and the copy placed in a binder and retained in the County office. [Sec. 302.]

Form Cotton 219, entitled "Receipt for Penalty Remitted or Money Deposited to Secure Payment of Penalty", will be issued by the Treasurer of the County Committee as a receipt for funds deposited with him to secure the payment of the penalty and as a receipt for funds tendered as payment of the penalty. Form Cotton 219 will be prepared in duplicate, the original delivered to the person making the remittance, and the copy filed in the folder for such receipts. The applicable information contained in form Cotton 219 will be posted to forms Cotton 254 and 256. [Sec. 506(a); 506(b); 507(b).]

Form Cotton 219-A, entitled "Receipt for Penalty Remitted by Producer Prior to the Marketing of Cotton", will be issued by the Treasurer of the County Committee as a receipt for funds tendered as payment of the penalty by a producer prior to the marketing of cotton. Form Cotton 219-A will be prepared in triplicate and the original and one copy will be delivered to the remitter. One copy will be posted to form Cotton 256 and held in a pending file until receipt of the copy of the form Cotton 213 to which it relates. The copy of form Cotton 219-A and the related form Cotton 213 shall be posted to form Cotton 254, and the copy of form Cotton 219-A filed in the folder for such forms. [Sec. 505(b); 506(a); 602(a)5; 603(a)6.]

Form Cotton 220 entitled "Buyer's Special Report", will be submitted by buyers who are requested to do so by the County Committee conformably to the regulations. The report shall be prepared in triplicate, and the original and one copy forwarded to the County Committee and a copy thereof retained by the buyer. [Sec. 602(b).]

Form Cotton 221, entitled "Certificate that Cotton is Cotton the Staple of Which is 1-1/2 inches or More in Length", will be issued

upon the request of any producer to whom was issued a red marketing card (form Cotton 212), for the purpose of identifying cotton the staple of which is 1-1/2 inches or more in length. The copy on the postal card (form Cotton 221b) when executed and returned to the County Office will be posted to Cotton 254 and filed in the folder for the farm. Sec. 408(f); 503(c); 602(a)2.7.

Form Cotton 222, entitled "Report of Share of Each Producer in Cotton Marketed", will be executed, by a producer to whom form Cotton 212 was issued, at the time of marketing any cotton in which one or more other producers have an interest. The original of form Cotton 222 will be forwarded to the Treasurer of the County Committee, who will place it in a pending file until the form Cotton 213 to which it relates is received, at which time form Cotton 213 and form Cotton 222 will be used in posting to form Cotton 254 the interest of each producer in the cotton covered thereby. Form Cotton 222 and the related form Cotton 213 will be filed in the folder for the farm. Sec. 603(a)7.7

Form Cotton 250, entitled "Register of White Marketing Cards (Forms Cotton 211)" will be prepared in the County Office to account for the disposition of forms Cotton 211 and forms Cotton 214 received from the State Office, and will also be used as a receipt executed by the producer acknowledging the receipt by him of the particular form issued to him. Form Cotton 250 will be executed in duplicate, the original placed in a binder and retained in the County Office and the copy forwarded to the State Office upon the request of the State Office. Sec. 401(a); 401(c); 402(d); 402(e); 403(a); 404(a); 406.7

Form Cotton 251, entitled "County Office Record of 1938 Cotton Ginned", will be kept, on the basis of information obtained from form Cotton 216, as the record of cotton ginned from all farms in the county on which the acreage of cotton planted in 1938 is within the respective farm acreage allotments therefor and will be used to determine the total amount of cotton ginned by each such farm. Form Cotton 251 will be prepared in the original only and will be placed in a binder and retained in the County Office.

Form Cotton 252, entitled "Letter of Transmittal and Receipt", will be used by the State Office in transmitting all serially numbered forms to the County Offices, and will also be used by the County Office in forwarding unused copies of such forms to the State Office, or, at the direction of the State Office, to other County Offices. Form Cotton 252 will be prepared in triplicate, the original and one copy forwarded to the office to which the forms are

transmitted and one copy thereof retained in the files of the office sending such forms. The original of form Cotton 252 will be signed by the recipient and returned to the sender as a receipt.

Form Cotton 253, entitled "Register of Red Marketing Cards (Forms Cotton 212)", will be prepared in the County Office to account for the disposition of forms Cotton 212 and the related forms Cotton 213 and the disposition of forms Cotton 211-A and will be used to obtain thereon the receipt of the producer for the particular form issued to him. Form Cotton 253 will be prepared in duplicate, the original placed in a binder and retained in the County Office and the copy forwarded to the State Office upon the request of the State Office. /Sec. 401(d); 402(a); 402(b); 402(c); 403(b); 403(c); 405; 406.7

Form Cotton 254, entitled "County Office Farm Record of Cotton Marketing Quotas and Penalties", will be kept in the County Office as a farm account for each farm on which the cotton acreage planted is in excess of its acreage allotment in 1938. The form will serve as a record of the apportionment and reapportionment of producer marketing quotas in accordance with section 205 of the regulations and as a record of the amounts of cotton ginned and marketed, as shown by forms Cotton 216 and 213, respectively, and the amounts of the penalties remitted and refunds of amounts tendered as penalties. Form Cotton 254 will be prepared in the original only and will be placed in a binder and retained in the County Office

Form Cotton 254A, entitled "Adjustments in Producer Marketing Quotas - Computation Sheet", will be used in connection with form Cotton 254 as a computation sheet for apportioning or reapportioning producer marketing quotas in accordance with paragraph 2 or 4 of section 205 of the regulations. Form Cotton 254A will be prepared in the original only and will be placed in a binder and retained in the County Office.

Form Cotton 255, entitled "Computation of Producers' Shares in Planted Acres and Normal Production", will be used in the County Office to determine the share of each producer in the acreage planted to cotton in 1938 on a farm on which the acreage of cotton planted is in excess of the acreage allotment therefor and the share of each producer in the normal production of the planted acres. Form Cotton 255 will also be executed for a farm on which the acreage allotment is not exceeded if any cotton producer thereon is engaged in the production of cotton on a farm on which the acreage allotment has been exceeded if such producer will require a marketing card on the farm where the acreage allotment has not been exceeded. This information will constitute the basis for the original apportionment of the farm marketing quota among producers in accordance with paragraph 1 of section 205 of the regulations. Form Cotton 255 will be prepared in the original only and will be placed in a binder and retained in the County Office.

Form Cotton 256, entitled "Record of Cash Receipts and Disbursements--Cotton Special Deposit Trust Account", will be used by the Treasurer of the County Committee as a record of all funds received through the collection of penalties and the deposit of funds to secure the payment of penalties and of the disbursement of such funds as refunds to producers or as remittances of penalties to the Secretary of Agriculture, Form Cotton 256 will be prepared in the original only and will be placed in a binder and retained in the County Office.

Form Cotton 257, entitled "Statement of Funds Tendered in Excess of Penalty Incurred", will be used in computing the amount of money which may be refunded to a producer in accordance with the provisions of section 508 of the regulations, and will constitute the permanent record of the determination of the County Committee and the Treasurer of the County Committee under said section. Form Cotton 257 will be prepared in the original only and placed in a binder and retained in the County Office.

Form Cotton 258, entitled "Receipt for Money Returned to Producer", will be used as a receipt to be executed by a producer acknowledging the return to him of any funds belonging to him which were tendered in payment of the penalty which was found not to have been incurred, or the refund to him of funds held in escrow to secure the payment of the penalty, as provided in sections 508 and 506, respectively, of the regulations. Form Cotton 258 will be prepared in duplicate, the original placed in the file established for such forms and the copy thereof retained by the producer.

(d) The following is an outline of a suggested method of filing, binding, and storing marketing quota forms and other materials in the county office:

Part I Farm Account File

Sec. A. Farms Planting Within Acreage Allotments.

Adequate files shall be set up under this section for the filing of forms Cotton 209 and 211-A-t, canceled or returned forms Cotton 211 and 214, and any other related materials.

Sec. B. Farms Planting in Excess of Acreage Allotments.

Subsec. 1. Community "A":

One folder for each individual farm.

Subsec. 2. Community "B":

One folder for each individual farm.

Subsec. 3. Community "C":

One folder for each individual farm.

Note: In the individual file established with respect to each farm in this Section B there will be filed the copies of forms Cotton 209, 212-A, 213b, 215, 217, 221, and 222, reports of cotton on hand, correspondence, canceled or returned forms Cotton 214, 212, and 213, and other materials relating to the form.

Part II. Ginners' Records and Reports (Form Cotton 216)

Sec. A. Gins Located Within the County.

One folder for each gin, numbered consecutively beginning with 1 to correspond to the serial number assigned to the gin by the County Committee.

Sec. B. Gins Located in Other Counties.

Subsec. 1. One folder for each gin for which records must be kept, to correspond to the serial number assigned to the gin by the County Committee for the other county.

Note: Files for individual gins will be arranged consecutively by the gin serial numbers officially assigned by the respective County Committee. Correspondence and other materials relating to forms Cotton 216 will be filed in the individual gin folders.

Part III. Receipts and Disbursements of Funds

Sec. A. Funds Received.

Subsec. 1. Form Cotton 219:

One folder for each consecutive unit of 50 receipts in numerical sequence.

Subsec. 2. Form Cotton 219-A:

One folder for each consecutive unit of 50 receipts in numerical sequence.

Sec. B. Funds Disbursed.

Subsec. 1. Refunds to Producers - Form Cotton 258:

One folder for each consecutive unit of 50 receipts in numerical sequence.

- Subsec. 2. Schedules of Remittances to State Office:
One folder for each monthly transmittal,
arranged in consecutive order.

Part IV. General

Sec. A. Form Cotton 252.

- Subsec. 1. Receipts for Forms Received from State Office:

1. Folder for forms Cotton 252 transmitting forms Cotton 211.
2. Folder for forms Cotton 252 transmitting forms Cotton 211-A.
3. Folder for forms Cotton 252 transmitting forms cotton 212 and Cotton 213.
4. Folder for forms Cotton 252 transmitting forms Cotton 219.

Etc.

- Subsec. 2. Receipt for Forms Returned to State Office or Sent to Other County Offices:

1. Folder for forms Cotton 252 transmitting forms Cotton 211.
2. Folder for forms Cotton 252 transmitting forms Cotton 211-A.
3. Folder for forms Cotton 252 transmitting forms Cotton 212 and Cotton 213.
4. Folder for forms Cotton 252 transmitting forms Cotton 219.

Etc.

Sec. B. Forms Cotton 220.

One folder for special reports of each individual buyer, labeled with his name.

Part V. Bound Registers, Listing Sheets, and Accounts

Binder #1 - Forms Cotton 250:

(a) Register of White Marketing Cards
(Forms Cotton 211).

(b) Register of Sea Island or
American-Egyptian Marketing
Certificates.

Binder #2 - Forms Cotton 251.

Binder #3 - Forms Cotton 253:

(a) Register of Red Marketing Cards
(Forms Cotton 212).

(b) Register of Forms Cotton 211-A.

Binder #4 - Forms Cotton 254.

Binder #5 - Forms Cotton 254-A.

Binder #6 - Forms Cotton 255.

Binder #7 - Forms Cotton 257.

Binder #8 - Forms Cotton 218.

Binder #9 - Forms Cotton 210.

Binder #10- Forms Cotton 256.

Part VI. Stock of Blank Forms

Sec. A. Serially Numbered Forms.

(1) Cotton 211.

(2) Cotton 211-A.

(3) Cotton 212 and 213.

(4) Cotton 214.

(5) Cotton 219.

(6) Cotton 219-A.

(7) Cotton 258.

Sec. B. Forms Not Serially Numbered.

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|------------------|--------------------|
| (1) Cotton 209 | (10) Cotton 222. |
| (2) Cotton 210. | (11) Cotton 250. |
| (3) Cotton 212-A | (12) Cotton 251. |
| (4) Cotton 215. | (13) Cotton 252. |
| (5) Cotton 216. | (14) Cotton 253. |
| (6) Cotton 217. | (15) Cotton 254. |
| (7) Cotton 218. | (16) Cotton 254-A. |
| (8) Cotton 220. | (17) Cotton 255. |
| (9) Cotton 221. | (18) Cotton 256. |
| | (19) Cotton 257. |

Part VII. The Following is a List of Rubber Stamps to be supplied County Offices for Use in Connection with the Regulations:

<u>Stamp</u>	<u>Reference</u>
1. "Penalty-Secured"	Sec. 402(d)
2. "Canceled-Sec. 402(d)"	Sec. 402(d)
3. "Canceled-Sec. 402(e)"	Sec. 402(e)
4. "One Thousand Pounds"	Sec. 402(e)
5. "Reissue"	Sec. 405(b)
6. "Duplicate"	Sec. 406(b)
7. Full mail address of the Treasurer of the County Committee	(To be used in indicating the return address on each <u>postal card copy of forms</u> Cotton 211-A, 213 and 221.)

Sec. 202. Publication of Farm Acreage Allotments, Normal Yields, and Marketing Quotas. - As soon as cotton acreage allotments and normal yields established for farms in a county have been approved by the State Committee, the County Committee shall cause form Cotton 210 to be executed in triplicate. One copy shall be permanently kept freely available for public inspection in the County Office; one copy shall be posted for not less than 30 calendar days in a conspicuous place in the county; and one

copy shall be furnished to the County Agent for the county, who shall keep the list permanently available for public inspection in his office. If the county is divided into two or more local administrative areas for the purpose of the cotton marketing quota provisions of the Act, the farms in the county shall be grouped with regard to the administrative areas in which they are situated and listed on form Cotton 210 by such groups in order that forms Cotton 210 listing the information with respect to farms in an administrative area may be posted for not less than 30 calendar days in a conspicuous place in such area. The copy to be kept in the County Office shall be placed in a binder and kept by the County Committee as a permanent record.

The following information shall be entered on form Cotton 210:

1. In the spaces indicated, enter the State and county code number, the name of the county, and the name of the State.
2. The information and data for each farm in the county for which a cotton acreage allotment is established shall be entered in the numerical order of the farm serial numbers within the county (or local administrative area, as the case may be), and the entries for each farm shall be made on a separate line.
3. In column A enter the serial number of the farm.
4. In column B enter the name of the operator of the farm.
5. In column C enter either the legal description or a description of the location of the farm or else the name by which it is commonly known.
6. In column D enter the final acreage allotment established for the farm as shown on Form NCR-209a. If the acreage allotment was revised due to released cotton acreage, enter the revised acreage allotment.
7. In column E enter the normal yield per acre of lint cotton established for the farm as shown on Form NCR-209a.
8. In column F enter the normal production of the farm acreage allotment obtained by multiplying the amount of the normal yield per acre entered in column E by the number of acres entered in column D. (Sec. 202.)

Sec. 203. Notice of Farm Acreage Allotments, Normal Yields, and Marketing Quotas. - As soon as cotton acreage allotments and normal yields established for farms in the county have been approved by the State Committee, the County Committee shall cause forms Cotton 209 to be executed in duplicate and distributed as follows:

1. In the spaces indicated enter the State and county code number and farm serial number, the name and address of the farm operator, and either the legal description or a description of the location of the farm or else the name by which it is commonly known.
2. In item 1 enter the cotton acreage allotment established for the farm as shown in column D of form Cotton 210.
3. In item 2 enter the normal yield per acre of lint cotton established for the farm as shown in column E of form Cotton 210.
4. In item 3 enter the normal production of the farm acreage allotment as shown in column F of form cotton 210.
5. After the County Committee has approved the notice, one member of the committee shall sign it and enter the date of his signature in the spaces indicated.
6. Mail the original to the operator of the farm. It must be deposited in the United States mails in an envelope addressed to the farm operator on the day, as indicated by the date following the signature of the committeeman, on which it was signed.
7. Retain the copy in the folder for the farm.
8. A copy of the executed form Cotton 209, duly certified as true and correct by a member of the County Committee or the Secretary or Treasurer of the County Committee, shall, upon request, be furnished without charge to any person who as operator, landlord, tenant, or sharecropper is interested in the cotton produced in 1938 on the farm. [Sec. 203]

Sec. 204. Measurement of Farms. - (a) For the purpose of the cotton marketing quota provisions, each farm for which a cotton acreage allotment was established and on which cotton was planted in 1938 shall be measured in accordance with the established procedure of the Agricultural Adjustment Administration and a record

of such measurements shall be kept among the records of the County Office. [Sec. 301].

(b) the County Committee shall execute in duplicate and file promptly with the State Committee a written report on form Cotton 218 with respect to each farm in the county on which the acreage planted to cotton in 1938 is in excess of the acreage allotment established therefor. [Sec. 302.] The following information shall be entered on form Cotton 218:

1. In the spaces indicated enter the State and county code number, the sheet number, the total number of sheets in the report, the name of the county, and the name of the State.

2. Enter the information and data for each farm on a separate line.

3. In column A enter the serial number of the farm.

4. In column B enter the name of the operator of the farm.

5. In column C enter the name of all other cotton producers on the farm. The name of each such producer shall be entered on a separate line, and the names of all the cotton producers on the farm shall be entered on consecutive lines.

6. In column D enter the number of acres in cultivation cropland in 1938 on the farm.

7. In column E enter the acreage allotment established for the farm as shown on form Cotton 210.

8. In column F enter the acreage planted to cotton in 1938 on the farm.

9. The report shall be examined by the County Committee and, if found to be correct, dated and signed by a member of the committee on its behalf. The original shall be mailed to the State Committee and the copy placed in a binder and kept as a permanent record in the County Office.

Sec. 205. Issuing Form Cotton 211. - (a) In issuing white marketing cards pursuant to section 401(a) of the regulations the Treasurer of the County Committee shall first prepare form Cotton 250 in duplicate as follows:

1. Data with respect to the issuance of each marketing card shall be tabulated on a separate line.

2. In column A enter in numerical order the farm serial numbers of all farms in the county on which the acreage planted to cotton in 1938 does not exceed the respective farm acreage allotments established therefor.

3. In column B enter in numerical order the serial numbers of the forms Cotton 211 issued, beginning with the first serial number of the forms Cotton 211 consigned to the county.

4. In column C enter the name of the operator of the farm identified by the farm serial number in column A.

5. The form Cotton 211 bearing the serial number entered in column B shall be issued to the operator whose name appears on the same line in column C.

After form Cotton 250 has been prepared as indicated above, forms Cotton 211 shall be prepared as follows:

1. In the space indicated, insert the State and county code number followed by the farm serial number appearing in column A of form Cotton 250.

2. In the space indicated enter the name and full mail address of the operator of the farm.

(b) The County Committee shall examine each form Cotton 211 and form Cotton 250 and, if it finds that forms Cotton 211 so prepared may be properly issued to the operators whose names appear thereon, a member of the County Committee on behalf of the committee shall sign the forms Cotton 211 and enter the date of his signature. The County Committee shall then issue each marketing card to the operator whose name appears thereon, who shall receipt for the marketing card by signing his name on the applicable line in column E of form Cotton 250 and entering the date of his signature in column D thereof.

(c) After forms Cotton 211 have been issued to the operators of farms planting within acreage allotments, the County Committee shall, in accordance with the procedure outlined in subsections (a) and (b) of this section, issue a white marketing card (form Cotton 211) to all other producers on such farms unless the County Committee finds that the issuance of a white marketing card to any one of such producers will not serve a useful purpose.

Each operator or producer receiving a form Cotton 211 shall promptly upon its receipt sign his name (in the style shown therein

or else in his usual style in business transactions) in the space provided and enter the date of such signature opposite it.

(d) A form Cotton 211 shall not be issued under section 401(b) of the regulations to any producer who is engaged in the production of cotton on any farm in the county on which the acreage planted to cotton in 1938 exceeds the farm acreage allotment established therefor.

Sec. 206. Issuing Form Cotton 211A. - Forms Cotton 211A shall, upon request of the producer, be issued by the County Committee pursuant to section 401(d) of the regulations to any producer to whom form Cotton 211 was issued who desires to market cotton by telephone, telegraph, letter, or by any means or method other than directly to and in the presence of the buyer or transferee.

A record of the issuance of form Cotton 211A shall be kept on form Cotton 253 as follows:

1. The title shall be changed to read "Register of Forms Cotton 211A".

2. In column A enter the serial number of the farm.

3. Make no entry in column B.

4. Change the heading of columns C and D to read "Serial Numbers of Cotton 211A", and in columns C and D enter the first and last serial numbers, respectively, in the book of forms Cotton 211A issued to the producer.

5. In column E enter the name of the operator or producer.

6. In the space indicated on each form Cotton 211A in the book the Treasurer of the County Committee shall enter in indelible pencil, except the stamping of the address as provided in item 6 below of this paragraph, (1) the State and County code number and the serial number of the farm with respect to which forms Cotton 211A are issued; (2) the marketing card serial number of the form Cotton 211 issued to the producer; (3) the name of the county; (4) the name of the State; (5) the name and full mail address of the operator or producer to whom forms Cotton 211A are issued; and (6) on the address side of each form Cotton 211-A-t, stamp the full mail address of the Treasurer of the County Committee after the words "Treasurer of the County Agricultural Conservation Committee".

7. The County Committee shall examine form Cotton 253 and each form Cotton 211A and, if found to be correct,

its approval thereof shall be indicated by a member thereof signing his name on each form Cotton 211A in the space indicated and entering the date on which it was issued (being the date of such approval).

8. The producer shall receipt for forms Cotton 211A by signing his name in column G of form Cotton 253 and by entering the date of his signature in column F.

Sec. 207. Issuing Marketing Certificates for Sea Island or American-Egyptian Cotton. - (a) Sea Island or American-Egyptian Cotton Marketing Certificates (form Cotton 214) shall be issued by the County Committee in accordance with the provisions of section 404(a) of the regulations and as indicated in the form Cotton 214. The issuance of forms Cotton 214 shall be recorded on form Cotton 250 in the same manner as provided in section 205 of these instructions with respect to the issuance of white marketing cards, except that the title of form Cotton 250 shall be changed to read "Register of Sea Island or American-Egyptian Cotton Marketing Certificates".

(b) If a producer to whom form Cotton 214 is issued has on hand cotton from any previous crop the staple of which is less than 1-1/2 inches in length, the County Committee shall, pursuant to section 401(c) of the regulations, issue to such producer a form Cotton 211 in accordance with the procedure outlined in section 205 of these instructions, except that --

1. the words "carry-over" shall be stamped across its face, and

2. a reference to "Section 401(c)" shall be entered in column F of the form Cotton 250 on which it is listed.

Sec. 208. Record of Cotton Ginned for Farms Planting Within Acreage Allotment. - Cotton ginned from each farm planting within the farm acreage allotment shall be recorded on form Cotton 251 on the basis of information shown on form Cotton 216. Form Cotton 251 shall be executed, in the original only, as follows:

1. In the spaces indicated enter the State and county code number and the consecutive sheet number of form Cotton 251, starting with number 1.

2. At least one line shall be used to tabulate data with respect to each farm.

3. In column (1) enter in numerical sequence the farm serial numbers for farms in the county planting within farm acreage allotments.

4. In column (2) enter the name of the operator of the farm identified by the farm serial number in column (1).

5. In the column headed "Serial No. Cotton 216" enter the serial number of the gin followed by the report number of form Cotton 216. If the report is for a gin situated in another county, the number of the gin and report number of form Cotton 216 shall be preceded by the code number of the State and county in which the gin is situated.

6. In the column headed "Net Pounds" enter the total number of net pounds (Subtract 22 pounds for each square bale or 3 pounds for each round bale, respectively, on Cotton 216. Do not make this subtraction if cotton was not baled.), of lint cotton covered by the report which were ginned from the farm identified by the serial number in column (1). Whenever a report on form Cotton 216 shows two or more amounts ginned for producers on a single farm the sum total of such amounts shall be recorded as one entry on form Cotton 251.

Sec. 209. Establishing Farm Accounts for Farms Planting in Excess of Acreage Allotments. - (a) An account on form Cotton 254 shall be set up for each farm in the county on which the acreage planted to cotton is in excess of the farm acreage allotment. Forms Cotton 254 will be prepared in the original only and kept in a binder in the numerical sequence of the farm account serial numbers. The following information shall be entered in Part IV of form Cotton 254 at the time the account is established:

1. In line 1 enter the farm account serial number: beginning with "1" for the first account and continuing thereafter in numerical sequence. Insofar as practicable, farms planting in excess of the farm acreage allotments shall be arranged in the numerical order of the farm serial numbers for the purpose of assigning farm account serial numbers.

2. In line 2 enter the sheet number and total number of sheets required for the particular account.

3. In line 3 enter the State and county code and farm serial number.

4. In lines 4 and 5 enter the name and full mail address of the operator of the farm.

(b) A form Cotton 255 must be prepared with respect to each farm on which the acreage of cotton planted is in excess of the farm acreage allotment. Form Cotton 255 will also be executed for a farm on which the acreage allotment is not exceeded if any cotton producer thereon is engaged in the production of cotton on a farm on which the acreage allotment has been exceeded if such producer will require a marketing card on the farm where the acreage allotment has not been exceeded. The following information shall be shown on form Cotton 255.

1. In the spaces indicated enter the State and county code number and the farm serial number and the farm account serial, from Part IV of form Cotton 254.

2. In column (1) enter in alphabetical order the names of all cotton producers on the farm except that the names of the operator and landlord, respectively, shall be entered on lines immediately following the names of all other producers.

3. In the heading of column (3) enter the normal yield per acre of lint cotton which was approved by the State Committee for the farm as shown on form Cotton 209.

4. Opposite the name of each producer who works a producer unit on the farm enter --

a. in column (2) the number of acres planted to cotton in his producer unit;

b. in column (3) the result obtained by multiplying the number of acres in column (2) by the normal yield per acre of lint cotton for the farm;

c. in columns (4), (5) and (6) enter the respective fractional shares of the landlord, operator, and tenant or cropper in the planted acres shown in column (2);

d. in columns (7), (8), and (9) enter the respective acreage shares of the landlord, operator, and tenant or cropper in the acreage shown in column (2); and

e. in columns (10), (11), and (12) enter the respective shares, in pounds, of the landlord, operator, and tenant or cropper in the normal production shown in column (3)

5. The sum of the entries in column (2) must equal the total number of acres planted to cotton in 1938 on the farm. The sum of the entries in column (3) must equal the result obtained by multiplying the total number of acres planted to cotton in 1938 on the farm by the normal yield per acre of lint cotton shown in the heading of column (3). The sum of the entries in column (9) plus the total of the entries in columns (7) and (8) must equal the total acreage planted to cotton in 1938 on the farm. The sum of the entries in column (12) plus the totals of columns (10) and (11) must equal the amount shown in the total line of column (3).

6. In cases where a producer works more than one producer unit on a farm and is entitled by his lease or operating agreement to the same fractional share in the cotton crop produced on all of such units, the data with respect to all of such units shall be entered on a single line of form Cotton 255. If a producer works more than one producer unit and is entitled by his lease or operating agreement to different fractional shares in the cotton crops produced on such units, the data with respect to all of such units in which he is entitled to the same fractional share shall be entered on separate lines of form Cotton 255.

7. Forms Cotton 255 will be prepared in the original only and placed in a binder in the numerical order of the farm account serial numbers.

(c) In Part I of form Cotton 254 the following information shall be entered:

1. In line 1 enter the farm acreage allotment as shown in form Cotton 209.

2. In line 2 enter the normal yield per acre of lint cotton for the farm as shown in form Cotton 209.

3. In line 3 enter the normal production of the farm acreage allotment. The entry in line 3 shall be equal to the result obtained by multiplying the entry in line 1 by the entry in line 2.

4. In line 4 enter the amount of cotton from any previous crop which the County Committee finds, from actual inspection of the cotton or certificates of title thereto, that the producers on the farm have on hand which is not pledged to a private or public lender or lending agency as collateral security for a Commodity Credit Corporation cotton loan.

5. In line 5 enter the sum of the entries in lines 3 and 4.

6. In line 6 enter the number of acres planted to cotton in 1938 on the farm as shown in the total line of column (2) of form Cotton 255.

(d) In Part V of form Cotton 254 the following information shall be transcribed from form Cotton 255.

1. In column (1) enter the names of the producers on the farm in the order in which they appear on form Cotton 255. If there are producers on the farm in 1938 who have cotton on hand from any previous crop but who are not interested in the cotton crop produced on the farm in 1938 or the proceeds thereof, enter the names of such producers in column (1) after the names of all producers, including the operator and landlord, having an interest in the 1938 cotton crop, or proceeds thereof, have been listed.

2. In column (3) enter the amount of cotton from any previous crop which the County Committee finds, from actual inspection of the cotton or certificates of title thereto, that each producer has on hand which is not pledged to a private or public lender or lending agency as collateral security for a Commodity Credit Corporation cotton loan. The total of column (3) shall equal the amount in line 4 of Part I of form Cotton 254.

3. In column (4) enter the fractional share, of each producer, in the acreage planted to cotton in 1938 on the farm, as shown in columns (4), (5), and (6) of form Cotton 255. If a producer is entitled by his lease or operating agreement to different fractional shares in the cotton crops produced on the producer units worked by him, enter each such fractional share in column (4).

4. In column (5) enter the share of each producer in the acres planted to cotton in 1938 on the farm as shown in columns (7), (8), and (9) of form Cotton 255. Enter the total of the entries in column (5) on the total line of column (5) on the last sheet of the farm account. The total of the entries in column (5) must be equal to the number of acres shown on the total line of column (2) of form Cotton 255.

5. In column (6) enter the share of each producer in the normal production of the acreage planted to cotton in 1938 on the farm as shown in columns (10), (11), and (12) of form Cotton 255. Enter the total of the entries in column (6) on the total line of column (6) on the last sheet of the farm account. The total of the entries in column (6) must be equal to the amount entered in the total line of column (3) of form Cotton 255.

(e) If form Cotton 212 is to be issued to the operator of a farm for all producers on the farm, as provided in section 402(b) of the regulations, form Cotton 212-A must be executed by the operator and all other producers on the farm. In order to avoid the issuance of forms Cotton 212 to all producers on a farm with respect to which form Cotton 212-A will be executed, the County Committee should

ascertain at the earliest opportunity whether or not a red marketing card will be issued to each producer on the farm or whether all producers on the farm will elect, under the provisions of section 402(b) of the regulations, to have form Cotton 212 issued only to the operator of the farm.

Sec. 210. Apportioning Producer Marketing Quotas Under Paragraph 1 of Section 205 of the Regulations. - (a) The farm marketing quota expressed in terms of the normal production of the farm acreage allotment, as shown in line 3 of Part I of form Cotton 254, shall be apportioned under paragraph 1 of section 205 of the regulations among producers on each farm planting in excess of the acreage allotment. In carrying out the provisions of said paragraph 1, the following entries shall be made in Part V of form Cotton 254:

1. In the space provided in the heading of column (7) enter the percentage figure, carried to 4 decimal places, obtained by dividing the normal production of the acreage allotment for the farm, as shown in line 3 of Part I of form Cotton 254, by the normal production of the acreage planted to cotton in 1936 on the farm, as shown in the total line of column (6).

2. In column (7) enter each producer's share in the normal production of the farm acreage allotment obtained by multiplying the entry in column (6) for such producer by the percentage figure entered in the heading of column (7). The sum of the entries in column (7) must equal the amount entered in line 3 of Part I of form Cotton 254.

(b) If one or more producers on the farm should complain in writing to the County Committee that the apportionment of the farm marketing quota among producers, as determined under subsection (a) of this section, is not fair and equitable, the County Committee may reapportion the farm marketing quota among the producers on the farm as provided in paragraph 3 of section 205 of the regulations. If such reapportionment is made, a notation to that effect shall be made on form Cotton 255 and a memorandum, signed by a member of the County Committee, setting forth the basis for the determination of the County Committee in reapportioning producer marketing quotas, shall be filed in the folder for the farm. In such case the producer marketing quotas entered in column (7) of Part V of form Cotton 254 in accordance with subsection (a) of this section shall be circled and the amount of each producer marketing quota as reapportioned by the County Committee shall be entered in column (7) above the circled figure.

Sec. 211. Issuing Red Marketing Cards (Forms Cotton 212) and Issuing Cotton Marketing Records and Penalty Receipts (Forms Cotton 213). - (a) After the farm accounts provided for in section

209 of these instructions and the apportionment of producer marketing quotas under paragraph 1 of section 205 of the regulations have been made as required in section 210 of these instructions, in case the penalty to be incurred with respect to the marketing of cotton has not been secured by a bond or funds held in escrow, the County Committee shall issue forms Cotton 212 in accordance with section 402(a) or section 402(b) of the regulations. Each form Cotton 212 issued shall be prepared as follows:

1. In the spaces indicated enter the State and county code number and the serial number for the farm.

2. In the blank space between the words "This is to certify that" and "pounds of lint cotton" enter, if form Cotton 212 is issued pursuant to section 402(a) of the regulations, the sum of the entries in columns (3) and (7) of Part V of form Cotton 254 for the producer to whom it is issued, or, if form Cotton 212 is issued to the operator of the farm pursuant to section 402(b) of the regulations, the sum of the entries in the total line of columns (3) and (7) of Part V of form Cotton 254.

3. Write in "Words" in the space above the signature of the county committeeman on Cotton-212 the amount of the marketing quota shown on Cotton-212 as follows "Two thousand pounds."

4. In the spaces indicated enter the name and full mail address of the farm operator.

(b) Each set of forms Cotton 213 in the book accompanying form Cotton 212 shall be prepared ~~at~~ the time it is issued as follows:

1. All entries on form Cotton 213 which are to be made in the County Office shall be made with indelible pencil except the stamping of the address of the Treasurer of the County Agricultural Conservation Committee on the postal card copy.

2. In the spaces indicated enter (1) the marketing card serial number of the form Cotton 212 which accompanies the book of forms Cotton 213; (2) the State and county code and farm serial number; (3) the name of the county; (4) the name of the State; and (5) the name and full mail address of the producer to whom issued.

3. In line 1, Part I of the first set of forms Cotton 213 in each book enter the amount of the marketing quota which is shown on the form Cotton 212 which accompanies the book of forms Cotton 213.

4. On the address side of each form Cotton 213b stamp the full mail address of the Treasurer of the County Committee beneath the words "Treasurer of County Agricultural Conservation Committee".

(c) A record of the issuance of all forms Cotton 212 and the related forms Cotton 213 shall be kept on form Cotton 253 prepared in duplicate as follows:

1. Tabulate on a separate line the data with respect to the issuance of each form Cotton 212 and book of forms Cotton 213. Forms Cotton 212 and the data in connection with the issuance thereof shall be listed strictly in the numerical order of the printed serial numbers appearing thereon. If a form Cotton 212 and book of forms Cotton 213 are to be issued to each producer on a farm, all forms Cotton 212 to be issued to such producers shall be listed on form Cotton 253 on consecutive lines.

2. In the spaces indicated enter the State and county code number, the sheet number, the name of the county, and the name of the State.

3. In column A enter the serial number of the farm.

4. In column B enter the serial number of the form Cotton 212.

5. In columns C and D enter the first and last serial numbers, respectively, of forms Cotton 213 which are in the same book and accompany the form Cotton 212.

6. In column E enter the name of the operator or producer to whom form Cotton 212 and the related forms Cotton 213 are issued.

(d) The County Committee shall examine each form Cotton 212, 213, and 253 and, if found to be correct, a member thereof shall, on its behalf, sign form Cotton 212 in the space provided and enter the date of his signature. The operator or producer to whom form Cotton 212 and forms Cotton 213 are issued shall receipt therefor by signing his name in column G of form Cotton 253 and entering the date of his signature in column F thereof. The operator or producer to whom the marketing card is issued shall also countersign such card on the line provided therefor at the time he received it and enter the date thereof opposite.

(e) In cases where the number of transactions in which a producer markets cotton will be in excess of the number of sets of form Cotton 213 contained in the book accompanying the form Cotton 212 issued to him and an additional form Cotton 212 and forms Cotton 213 are not to be issued under section 402(c), section 405, or section 406 of the regulations, the County Com-

mittee shall, upon request of the producer, issue an additional book of forms Cotton 213 and the form Cotton 212 accompanying it, in accordance with the procedure outlined in subsections (a), (b), (c), and (d) of this section, except that:

1. The amount of the producer marketing quota or farm marketing quota, as the case may be, entered on the new form Cotton 212 shall be the same as that shown on the previous form Cotton 212. If the particular book is the second book issued to the producer the word "second" shall be entered on the face of form Cotton 212. Similarly, the issue number of each subsequent book issued to a producer in accordance with the provisions of this subsection shall be entered on the face of form Cotton 212; as, for example, "Third" or "Fourth".

2. In line 1, Part I, of the first set of the forms Cotton 213, in the new book enter the unused portion, if any, of the marketing quota as shown in line 3 of the last form Cotton 213a contained in the book previously issued. If there is no unused marketing quota the word "None" shall be entered in line 1, Part I, of the first set of forms Cotton 213 in the new book.

3. In column H of form Cotton 253 enter the word "Second" or "Third", etc., as the case may be, and the serial number of the forms Cotton 212 previously issued to the producer.

Sec. 212. Penalties Secured by Bonds of Money Held in Escrow. - (a) Forms Cotton 211 may be issued pursuant to section 402 (d) of the regulations to producers on a farm on which the acreage planted to cotton is in excess of the farm acreage allotment if the owner or operator of such farm secures the payment of the total estimated penalty to be incurred by depositing funds to be held in escrow or by executing a bond of indemnity on form Cotton 215 as provided in section 507 of the regulations. The amount of the estimated penalty shall be determined by the County Committee in strict accordance with section 507(c) of the regulations and a memorandum containing the details of such determination signed by a member of the County Committee shall be filed in the folder for the farm. A bond or funds tendered to secure payment of the penalty shall not be accepted, as provided in said section 507(e), if a producer on a farm with respect to which the penalty is sought to be secured has an interest in the cotton crop produced on more than one farm in the county on which cotton is planted in excess of the farm acreage allotment unless a bond or funds to secure payment of the penalty are offered and accepted with respect to all of such farms.

(b) If funds are tendered to be held in escrow to secure payment of the penalty, the Treasurer of the County Committee shall issue a receipt for such funds on form Cotton 219 prepared in duplicate as follows (all checks, drafts, or money orders should be payable to the Treasurer of the county committee.):

1. In the space provided enter the State and county code number.

2. Above the words "(Name of remitter)" and "(Full mail address)" enter the name and address, respectively, of the owner or operator who deposited the funds.

3. In the space following the words "the sum of" enter the amount of the funds deposited.

4. Draw a line through the words "in payment of the penalty".

5. Make no entry in the space following the words "the marketing by".

6. In the space following the words "identified by serial number" enter the farm serial number.

7. If the funds received are in the form of cash, enter the word "Cash" in the column headed "Drawer".

If the funds are in the form of checks, drafts, or money orders, describe each check, draft, or money order by entering in the columns headed "Date", "Drawer", "Drawee", and "Amount" the date, name of drawer, name of drawee, and amount, respectively, of the check, draft, or money order. The name of the "drawer" is the name of the owner or operator who signs the check or obtains the money order. The name of the drawee is the name of the bank on which the check is drawn or the name of the Postmaster in case of money order.

If cash and checks, drafts, or money orders are received, enter the word "Cash" in the first line of the column headed "Drawer" and describe the checks, drafts, or money orders in the remaining lines of the columns indicated.

After the word "Total" enter the sum of the cash, checks, drafts, and money orders.

8. After the dollar mark above the word "Amount" enter the total amount of the funds received.

9. The Treasurer of the County Committee shall sign the original and copy and enter the date of his signature. The original shall be delivered or forwarded to the remitter and the copy retained by the Treasurer of the County Committee in the folder for such forms.

10. The funds received shall be deposited immediately in the special deposit account in accordance with the procedure outlined in section 224 of these instructions.

(c) If a bond on form Cotton 215 is executed by the owner or operator and two sureties, the County Committee shall verify the sufficiency and form of the bond and indicate its approval as follows:

1. In the spaces provided enter the State and county code and farm serial number and the bond serial number. The bond serial number shall be number "1" for the first bond approved and continue thereafter in numerical sequence for bonds subsequently approved.

2. Determine that -

a. the name of the owner or operator of the farm appears thereon as principal;

b. the names of the county and State have been entered;

c. the names of the two sureties have been entered;

d. the amount of the principal sum entered is not less than the estimated amount of the penalty to be incurred;

e. the date and place of execution are properly shown;

f. the amount of cotton estimated to be produced in excess of the farm marketing quota, determined as provided in section 507(c) of the regulations, has been entered;

g. the signatures and addresses of the principal and two sureties appear thereon and agree with the names entered above in the body of the bond;

h. the signatures of the principal and two sureties were witnessed by two disinterested persons who entered their signatures and addresses in the spaces provided; and

i. the "Justification of Sureties" has been completed and executed and acknowledged before a proper officer.

3. If the County Committee finds that the bond has been properly executed and that, to the best of their knowledge and belief, the sureties are good and sufficient, the "Certificate of County Committee" shall be executed by a member of the committee.

4. The original shall be delivered to the Treasurer of the County Committee, one copy retained by the principal, and one copy retained by each of the sureties.

(d) The Treasurer of the County Committee shall record the receipt of the funds or the approval of the bond in Part II of form Cotton 254 as follows:

1. In line 1 enter the serial number assigned to the bond. Make no entry in line 1 if funds were deposited to be held in escrow.

2. In line 2 enter the printed serial number of the form Cotton 219. Make no entry in line 2 if a bond of indemnity (form Cotton 215) was executed.

3. In line 3 enter the amount of the funds held in escrow as shown by the form Cotton 219 or the principal sum of the bond.

(e) The Treasurer of the County Committee shall record the receipt of the funds to be held in escrow in Part II of form Cotton 256 as follows:

1. In column (1) enter the date on which the funds were received as indicated by the date of the form Cotton 219;

2. In column (2) enter the printed serial number of the form Cotton 219.

3. In column (3) enter the farm account serial number of the farm as shown on the form Cotton 254.

4. In column (4) enter the amount of the funds received as shown on the form Cotton 219.

5. If the checks, drafts, or money orders received are not honored upon presentment for payment, a contra entry in red, duplicating the information previously entered in Part II of form Cotton 256, shall be made in columns (1) through (4) of Part II of form Cotton 256, or if they were not paid at par the same contra entry in red shall be made except that the contra entry in red to be entered in column (4)

shall be the difference between the amounts of the checks, drafts, or money orders and the amounts for which they were honored.

6. If the owner or operator redeposits the amount of the dishonored checks, drafts, or money orders, or deposits the difference between their face value and the amount for which they are honored, the procedure outlined above in this section shall be followed, except that such owner or operator shall be required to surrender the form Cotton 219 previously issued to him and the printed serial number of the new form Cotton 219 shall be entered in line 2 of Part II of form Cotton 254 above the serial number of the form Cotton 219 previously issued.

7. If the checks, drafts, or money orders were not honored at par and the owner or operator fails or refuses to deposit the difference between their face value and the amount for which they were honored, the amount for which they were honored shall be returned to the owner or operator by a check drawn against the special deposit account in accordance with section 224 of these instructions and the following entries made in form Cotton 256:

a. In column (5) enter the current date.

b. In column (6) enter the serial number of the form Cotton 219 issued with respect to the remittance followed by a dash (-) and the sheet number of the form Cotton 256 on which it was recorded.

c. In column (7) enter the farm account serial number as shown on form Cotton 254.

d. In column (8) enter the amount for which the checks, drafts, or money orders were honored.

e. In column (9) enter the current date.

f. In column (10) enter the reference number for the transaction which was entered in column (6).

g. Make no entry in column (11).

h. In column (12) enter the farm account serial number as shown on form Cotton 254.

i. In column (13) enter the amount of the transaction which was entered in column (8).

j. In column (14) enter the date of the check drawn by the Treasurer of the County Committee payable to the owner or operator.

k. In column (15) enter the number of such check.

l. In column (16) enter the farm account serial number as shown on form Cotton 254.

m. Make no entry in column (17).

n. In column (18) enter the name of the owner or operator to whose order the check is drawn.

o. In column (19) enter the amount previously entered in columns (8) and (13) which shall also agree with the amount of the check drawn payable to the order of the owner or operator.

(f) If forms Cotton 212 and 213 were issued to producers on the farm prior to the execution of the bond or the depositing of the funds to be held in escrow, the forms Cotton 212 and 213 must be returned to the County Committee prior to the time any forms Cotton 211 are issued. The forms Cotton 212 shall be canceled by stamping across the face thereof in bold letters the legend "Canceled - Sec. 402(d)" and the same legend shall be so stamped or endorsed on each unused set of forms Cotton 213 in the book accompanying the form Cotton 212. In column H of form Cotton 253 on the same line with the serial number of the form Cotton 212 enter the legend "Sec. 402(d)". The cancellation of form Cotton 212 and unused forms Cotton 213 shall not affect the forms Cotton 213 executed previously, and forms Cotton 213b executed and returned to the county office shall be posted and filed in the manner outlined in section 221 of these instructions. The canceled forms Cotton 212 and 213 shall be filed in the folder for the farm. (Wherever in these instructions the word "stamped" or "stamp" is used, if a rubber stamp for the purpose is not available, it will suffice to make the endorsement in writing or printing in bold letters.)

(g) After the bond of indemnity on form Cotton 215 has been approved or after the funds tendered to be held in escrow are held in the special deposit account and any forms Cotton 212 and 213 theretofore issued have been canceled, the County Committee shall issue forms Cotton 211 to the producers on the farm in accordance with section 205 of these instructions except that:

1. In column F of form Cotton 250 enter the legend "Sec. 402(d)",

2. Stamp the words "Penalty Secured" across the face of each form Cotton 211, and

3. Enter the words "Cotton 211" and the serial number of the form Cotton 211 in column (2) of form Cotton 254.

(h) If the County Committee finds that the actual production in 1938 of the acreage planted to cotton on the farm as estimated pursuant to section 507(c) of the regulations will not exceed the normal production of the farm acreage allotment, the County Committee shall not approve the bond or accept the funds tendered to secure payment of the penalty and may, if the circumstances warrant it, issue forms Cotton 211 to the producers on the farm as otherwise indicated in this section.

Sec. 213. Farms Producing Less Than 1,000 Pounds of Lint Cotton. - Forms Cotton 211 may be issued pursuant to section 402(e) of the regulations to producers on a farm on which cotton was planted in excess of the farm acreage allotment if the County Committee finds that the total amount of lint cotton produced thereon in 1938 does not exceed 1,000 pounds or estimates that the total amount of lint cotton to be produced thereon in 1938 will not exceed 1,000 pounds. A memorandum containing the details of such determination, signed by a member of the County Committee, shall be filed in the folder for the farm. If forms Cotton 212 and 213 were issued to producers on the farm prior to such determination of the County Committee, the forms Cotton 212 and 213 must be returned to the County Committee prior to the issuance of any forms Cotton 211. The forms Cotton 212 shall be canceled by stamping across the face thereof the words "Canceled - Sec. 402(e)", and the same legend shall be stamped on each unused set of forms Cotton 213 in the book accompanying the form Cotton 212. In column H of form Cotton 253, on the same line with the serial number of the form Cotton 212, enter the legend "Sec. 402(e)". The canceled forms Cotton 212 and 213 shall be filed in the folder for the farm. The cancellation of form Cotton 212 and unused forms Cotton 213 shall not affect forms Cotton 213 executed previously and forms Cotton 213b executed and returned to the County Office shall be posted and filed in the manner outlined in section 221 of these instructions. After any forms Cotton 212 and 213 issued have been canceled, the County Committee shall issue forms Cotton 211 to the producers on the farm in accordance with the procedure outlined in section 205 of these instructions, except that:

1. In column F of form Cotton 250 enter the legend "Sec. 402(e)",

2. Stamp the words "One Thousand Pounds" across the face of each form Cotton 211, and

3. Enter the words "Cotton 211" and the serial number of the form Cotton 211 in column (2) of form Cotton 254.

Sec. 214. Issuing Forms Cotton 221. - Any producer to whom forms Cotton 212 and 213 were issued shall be furnished, upon request, blank forms Cotton 221 to be executed as provided in sections 408(f), 503(c), and 602(a)2 of the regulations in connection with any cotton produced by him in 1938 the staple of which is 1-1/2 inches or more in length. When form Cotton 221b has been executed and returned to the Treasurer of the County Committee, the total number of net pounds covered thereby shall be posted to Part VI of form Cotton 254 as a contra entry in red as follows:

1. On line (a) opposite the producer's name in the next available column entitled "Reference No." enter the words "Cotton 221".

2. On line (a) opposite the producer's name in the next available column entitled "Net Pounds" enter the total net weight of the cotton covered by the form Cotton 221.

3. File the form Cotton 221b in the folder for the farm.

Sec. 215. Forms Cotton 212 and 213 for Cotton Pledged as Collateral for a Commodity Credit Corporation Cotton Loan. - A form Cotton 212 and book of forms Cotton 213 may upon request, be issued, by the County Committee to any producer who has previously been issued a form Cotton 212 and corresponding forms Cotton 213 and who desires to market cotton pledged as collateral security for a Commodity Credit Corporation cotton loan held by a private or public lender or lending agency. The Form Cotton 212 and book of forms Cotton 213 shall be issued in accordance with section 211 of these instructions, except that:

1. The poundage to be entered in the blank space of form Cotton 212 between the words "This is to certify that" and "pounds of lint cotton" shall be the net weight of the bales which the producer states are to be withdrawn from the loan and marketed, and words "Loan Cotton" written in bold characters across its face.

2. In column H of form Cotton 253 enter the words "Loan cotton", and

3. If an entry appears in column (3) of Part V of form Cotton 254 opposite the producer's name, circle the

entry and enter the sum of the circled entry and the number of pounds entered on the form Cotton 212 immediately above the circled entry, or, if no entry appears in column (3) of Part V of form Cotton 254, enter therein the number of pounds entered on the form Cotton 212.

Sec. 216. Multiple Farms. - - (a) As provided in section 403(c) of the regulations, in case a producer is engaged in 1938 in the production of cotton on more than one farm in a county and the acreage planted to cotton in 1938 or one or more but not all of such farms is in excess of the farm acreage allotment therefor, a white marketing card (form Cotton 211) shall not be issued under the provisions of section 401 of the regulations to such producer with respect to any such farm on which the acreage planted is within the farm cotton acreage allotment. If the producer will require a marketing card with respect to any of such farms planting within the farm acreage allotment, the County Committee shall prepare farm accounts for such farms as outlined in section 209 of these instructions and apportion the marketing quota for such farm as outlined in section 210 of these instructions and issue a form Cotton 212 and a book of forms Cotton 213 to such producer as outlined in section 211 of these instructions. Above the title of form Cotton 254 so prepared insert the words "Multiple Farm". In column H of form Cotton 253 enter the legend "Sec. 403(c)". Forms Cotton 211 shall nevertheless be issued under section 401(a) of the regulations to all other producers on such farm not so situated. In column (2) of Part V of form Cotton 254 enter the serial number of the form Cotton 212 issued to such producer, preceded by the legend "Cotton 212", and enter the serial numbers of the forms Cotton 211 issued to all other producers on the farm preceded by the legend "Cotton 211". In all other respects the procedure outlined in these instructions for a farm planting in excess of the farm acreage allotment shall be applicable to any farm with respect to which such producer is issued forms Cotton 212 and 213.

(b) In case a producer is engaged in 1938 in the production of cotton on more than one farm in a county, each such farm shall be considered separately for the purposes of these instructions and all records and accounts in connection therewith shall be kept separate from the records and accounts for all other such farms except as provided in subsection (a) of this section.

Sec. 217. Lost, Destroyed, or Stolen Marketing Cards. -
(a) In case any form Cotton 211 or form Cotton 212 and forms Cotton 213 are lost, destroyed, or stolen, the County Committee may reissue such forms to the producer in accordance with section 406 of the regulations. A copy of the notices of cancelation, other correspondence, and a memorandum of any findings of the County Committee in connection with the loss, destruction, or theft of such forms shall be filled in the folder for the farm.

(b) In case a lost, destroyed, or stolen form Cotton 211 is to be replaced, the County Committee shall issue form Cotton 211 in accordance with the procedure contained in section 205 of these instructions, except that:

1. The word "Duplicate" shall be stamped across the face of the newly issued form Cotton 211.

2. The legend "Sec. 406" shall be entered in column F of form Cotton 250 opposite the entry showing the issuance of the duplicate form Cotton 211.

3. The legend "Canceled-Sec. 406" shall be entered in column F of form Cotton 250 opposite the serial number of the lost, destroyed, or stolen form Cotton 211.

(c) In case a lost, destroyed, or stolen form Cotton 212 and book of forms Cotton 213 are to be replaced, the County Committee shall issue forms Cotton 212 and 213 in accordance with the procedure contained in section 211 of these instructions, except that:

1. The amount of the producer marketing quota or farm marketing quota, as the case may be, entered on the new form Cotton 212 shall be the same as that shown on the lost, stolen, or destroyed form Cotton 212 and the word "Duplicate" shall be stamped across the face thereof.

2. In line 1, Part I, of the first set of the forms Cotton 213 in the new book enter the unused portion, if any, of the marketing quota entered in form Cotton 212. If there is no unused marketing quota the word "None" shall be entered in line 1, Part I, of the first set of forms Cotton 213 in the new book. In determining the amount of the unused portion of the marketing quota, the County Committee shall take into consideration the amount of cotton ginned and marketed by the producer as reported on forms Cotton 216 and 213b and recorded in Part VI of form Cotton 254 together with any additional information which may be required.

3. In column H of form Cotton 253 enter the legend "Sec. 406" opposite the entry showing the issuance of the duplicate.

4. The legend "Canceled - Sec. 406" shall be entered in column H of form Cotton 253 opposite the serial numbers of the lost, destroyed, or stolen forms Cotton 212 and 213.

Sec. 218. Records of Cotton Ginned on Farms Planting in Excess of Acreage Allotments. - The amount of cotton ginned by each farm on which cotton is planted in excess of the farm acreage allotment shall be recorded on form Cotton 254 on the basis of information shown on forms Cotton 216. The data shown on form Cotton 216 shall be posted to Part VI of form Cotton 254 as follows:

1. On line (a) in the column entitled "Reference No." enter opposite each producer's name the serial number of the gin, followed by the report number shown on the form Cotton 216. If the report is from a gin situated in another county, the number of the gin and the report number of the form Cotton 216 shall be preceded by the code number of the State and county in which the gin is situated. The reference to the first report covering cotton ginned by a producer will be entered on line (a) in column (8), and the reference to subsequent reports will be entered in consecutive order on line (a) of the columns headed "Reference No." of columns (10) through (18).

2. On line (a) of the column entitled "Net Pounds" enter opposite each producer's name the total number of net pounds of lint cotton which were ginned by or for him covered by the report. The share of each producer in each bale of cotton reported on form Cotton 216 shall be determined according to his fractional share therein as indicated in form Cotton 255. The net weight of each bale shall be obtained by subtracting from the gross weight of the bale, as shown in column G of form Cotton 216, 22 pounds for a square bale and 3 pounds for a round bale on account of bagging and ties. The amount of cotton ginned by or for the producer as shown in the first report will be entered on line (a) in column (9), and the amounts shown in subsequent reports will be entered in consecutive order on line (a) of the columns headed "Net Pounds" of columns (11) through (19). Only one column of form Cotton 254 should be used for each producer in recording his cotton covered by a single report on form Cotton 216. If the entry in column (4) of Part V of form Cotton 254 indicates that the producer works more than one producer unit and that he is entitled to different shares in the cotton crops produced thereon, the cotton reported on form Cotton 216 as having been ginned by him shall not be posted to Part VI of form Cotton 254 until a statement of the shares of all other producers in such cotton crops is obtained from such producer or elsewhere.

3. When all the cotton produced by or for any one producer on a farm has been ginned the sum of the entries on line (a) in the columns entitled "Net Pounds" for such producer shall be entered in column (20). If a contra entry in red has been made on line (a) in Part VI in connection with form Cotton 221, the amount to be entered in column (20) shall be the sum of the entries not made in connection with form Cotton 221 minus the sum of the contra entries.

Sec. 219. Handling Reports from Ginners.- (a) After the information for farms in the county has been posted to forms Cotton 251 and 254, a form Cotton 216 shall be prepared in the County Office with respect to cotton produced on farms located in other counties. A separate form Cotton 216 shall be prepared for each ginner's report with respect to the farms located in each of the other counties. The following information shall be entered on each form Cotton 216 so prepared:

1. Above the title of form Cotton 216 enter the word "Extract".

2. In the spaces indicated enter the State and county code numbers for the State and county in which the gin is situated; the sheet number and the number of sheets which will be required to list the farms located in other counties; the period covered by the ginner's report from which the information is being taken; the name and full mail address of the gin; the name of the manager of the gin; the serial number assigned to the gin; and the number of the report from which the information is transcribed.

3. The information appearing in columns A through G for cotton ginned from farms located in the other county shall be transcribed exactly as it appears on the form Cotton 216 submitted by the ginner.

4. The Treasurer of the County Committee shall sign his name and enter his title and the date of his signature below the entries made in columns A through G.

5. The original so prepared shall be mailed to the Treasurer of the County Committee for the county in which the farms are located, and the yellow copy retained in the County Office in which it is prepared.

(b) The originals of forms Cotton 216 submitted by each ginner and the copies thereof prepared as outlined in subsection (a) of this section shall be filed in the numerical order of the

report numbers in the folder for each gin. In order to have a convenient record of the reports submitted or due from each ginner, it is suggested that a typewritten form such as the following be prepared and attached to the folder for each gin and posted at the time each report is submitted.

Name of Gin _____				Serial No. of Gin _____			
Report No.:	Period	Date		Report No.:	Period	Date	
	:From:Through:	Received			:From:Through:	Received	
1	:	:	:	7	:	:	:
2	:	:	:	8	:	:	:
3	:	:	:	9	:	:	:
4	:	:	:	10	:	:	:
5	:	:	:	11	:	:	:
6	:	:	:	12	:	:	:
	:	:	:		:	:	:

(c) If the report on form Cotton 216 is incomplete or in error, the ginner submitting the report should be notified by letter of the omission or error and requested to submit a correctly prepared report. The incorrectly prepared report should be marked on its face "Incorrect" and placed in the folder for the gin with a copy of the letter notifying the ginner of the omission or error stapled to it.

(d) The Treasurer of the County Committee shall furnish each ginner with postage stamps to cover the expense of submitting reports on form Cotton 216. Since the amount of postage required for each report cannot be determined in advance, arrangements should be made with the ginner whereby the postage stamps may be furnished to him in advance to be used as the need arises, or whereby the ginner may be reimbursed from the administrative expense funds of the county committee for the postage expense incurred by him upon the basis of a detailed statement of such expenses presented to the county committee at the end of the season. Where postage stamps are furnished in advance, a postage

account should be set up for each ginner and filed in the folder for the gin. The postage account should show (1) the value of the stamps advanced and (2) the value of the stamps used in transmitting each report. The portion of the envelope bearing the canceled postage stamps should be detached and identified with the gin and the report number and filed in the folder to substantiate the postage account. Each ginner must also give receipts for the postage stamps advanced, which shall be filed in the folder for the gin to substantiate the postage account.

Sec. 220. Apportionment and Reapportionment of Producer Marketing Quotas. - (a) After producer marketing quotas have been apportioned as set forth in section 210 of these instructions, a final apportionment or reapportionment of the farm marketing quota will be made on the basis of the share of each producer in the actual production in 1938 of the acreage planted to cotton on the farm. Intermediate apportionments or reapportionments may also be made upon request of the operator of the farm before the final apportionment or reapportionment if the County Committee finds it to be justifiable because (1) the records of the actual production of cotton on the farm as shown by reports entered in Part VI of form Cotton 254 of cotton ginned indicate that the actual average yield per acre of lint cotton in 1938 for the farm is substantially in excess of the normal yield per acre of lint cotton approved for the farm so that the amount of the farm marketing quota may be increased as set forth in section 201 (b) of the regulations or (2) one or more of the producers on the farm has harvested all cotton produced in 1938 by or for him on the farm and the amount of the producer marketing quota apportioned to him under section 210 of these instructions is in excess of his share in the actual production and one or more of the other producers on the farm has produced or is producing more than the producer marketing quota theretofore apportioned to him. In making either a final apportionment or reapportionment of the farm marketing quota, two provisos must be observed; namely, (1) no producer on the farm who produces more than the amount of the producer marketing quota previously apportioned to him shall have such producer marketing quota reduced and (2) that amount of the producer marketing quota of any producer which is in excess of his share in the actual production in 1938 on the farm shall be reapportioned to the other producers on the farm if there is any need therefor. In making apportionments or reapportionments of the farm marketing quota among the producers on a farm the provisions of section 205 of the regulations shall be followed.

(b) If the County Committee determines that an intermediate apportionment or reapportionment of the farm marketing quota is justifiable, form Cotton 254A shall be prepared in the original only, as follows:

1. Above the title of the form enter the word "Intermediate".

2. In the spaces indicated enter the farm account serial number as shown on form Cotton 254 and the sheet number and number of sheets of form Cotton 254A.

3. In column (1) enter the names of all producers on the farm in the order in which they appear on form Cotton 254.

4. In column (2) transcribe the information appearing in column (6) of form Cotton 254 for each producer.

5. In column (3) transcribe the information appearing in column (7) of form Cotton 254 for each producer.

6. In the heading of column (4) of the first sheet enter the date on which the actual production was determined.

7. In column (4) enter the amount of cotton ginned by each producer on the farm - that is, the sum of the entries appearing on line (a) in the columns entitled "Net Pounds" of Part VI of form Cotton 254. Place a red check mark to the right of the figure in column (4) for each producer on the farm whose total production, or share therein, is shown in column (4).

8. The total of the entries in column (4) shall be entered in line 9 of the last sheet of form Cotton 254A. The total so determined shall be divided by the number of acres planted to cotton in 1938 on the farm as shown in line 6 of Part I of form Cotton 254 and the resulting average yield per acre shall be entered in the space provided in the heading of column (4).

9. Multiply the number of acres in the farm acreage allotment as shown in line 1 of Part I of form Cotton 254 by the greater of the following:

(1) the average yield per acre shown in the heading of column (4) of form Cotton 254A or

(2) the normal yield per acre approved for the farm as shown in line 2 of Part I of form Cotton 254.

Enter the result obtained on line 9 in column (5).

10. Divide the entry on line 9 in column (5) by the entry on line 9 in column (2) and enter the resulting percentage, carried to four decimal places, in the space provided in the heading of column (5).

11. Multiply each entry in column (2) by the percentage figure in the heading of column (5) and enter the results obtained on the respective lines in column (5). The sum of the entries in column (5) must equal the total shown on line 9 in column (5).

12. If, as a result of the computations made under paragraph 11 of this subsection, the entry for any producer in column (5) is less than the entry for such producer in column (3), and the entry in column (5) is also less than the entry in column (4), so that proviso number (1) in subsection (a) of this section is applicable, enter in column (6) the amount by which the entry in column (3), or the entry in column (4), whichever is the smaller, exceeds the entry in column (5). The amount so entered in column (6) shall be preceded by a plus sign (+) and the entry circled.

13. If, as a result of the computations made under paragraph 11 of this subsection, the entry in column (5) for any producer for whom a red check mark was made to the right of the entry in column (4) exceeds the entry in column (4) so that proviso number (2) in subsection (a) of this section is applicable, the amount by which the entry in column (5) exceeds the entry in column (4) shall be entered in column (6). The entry so made in column (6) shall be preceded by a minus sign (-) and circled.

14. Take the algebraic sum of the circled plus and minus figures in column (6) and enter the result on line 9 of column (6). If the sum of the minus figures exceeds the sum of the plus figures, the algebraic sum so entered shall be preceded by a minus sign and circled. If the sum of the plus figures exceeds the sum of the minus figures, the algebraic sum so entered shall be preceded by a plus sign and circled.

15. In column (6) extend the figures shown in column (5) which were not affected by either of the provisos as outlined in paragraphs 12, 13, and 14 of this subsection and enter the sum of such figures on line 9 in column (6) beneath the circled algebraic sum.

16. Divide the circled algebraic sum entered on line 9 in column (6), as determined in accordance with paragraph 14 of this subsection, by the uncircled sum entered on line 9 in column (6), as determined in accordance with paragraph 15 of this subsection, and enter the resulting percentage figure, carried to four decimal places, on line "a" of column (6).

17. If the circled algebraic sum entered on line 9 in column (6) is preceded by a minus sign, add the percentage entered on line "a" in column (6) to 100 percent and enter the result on line "b" in column (6) and in the heading of column (7). If the circled algebraic sum entered on line 9 in column (6) is preceded by a plus sign, subtract the percentage entered on line "a" in column (6) from 100 percent and enter the result on line "b" in column (6) and in the heading of column (7).

18. In column (7), enter the amounts shown in column (3) if the circled figure shown in column (6) is a plus amount as provided in paragraph 12 of this subsection and the amounts shown in column (4) if the circled figure shown in column (6) is a minus amount as provided in paragraph 13 of this subsection.

19. In column (7) enter the results obtained by multiplying the uncircled figures in column (6) by the percentage figure shown in the heading of column (7).

20. Total the entries in column (7) and enter the result, which must be the same as the total of column (5), on line 9 in column (7).

21. If any entry in column (7) is affected by either of the provisos in subsection (a) of this section, the computations with respect to the amounts in column (5), as described in paragraphs 12 through 20 of this subsection, shall be repeated with respect to the amounts in column (7) and the results entered in columns (8) and (9) in lieu of columns (6) and (7). Such computations shall be repeated until the producer marketing quota as apportioned or reapportioned is not affected by either of said provisos.

(c) After all cotton produced on the farm has been ginned and recorded in Part VI of form Cotton 254, the producer marketing quotas shall be apportioned or reapportioned by preparing form Cotton 254A as follows:

1. Above the title of the form enter the word "Final".

2. In the spaces indicated enter the farm account serial number as shown on form Cotton 254 and the sheet number and the number of sheets of form Cotton 254A.

3. In column (1) enter the names of all producers on the farm in the order in which they appear on form Cotton 254.

4. In column (2) transcribe the information appearing in column (6) of form Cotton 254 for each producer.

5. In column (3) transcribe the information appearing in column (7) of form Cotton 254 for each producer, if an intermediate apportionment or reapportionment was not made under subsection (b) of this section, or the producer marketing quota shown on form Cotton 254A for each producer, if an intermediate apportionment or reapportionment was made under subsection (b) of this section.

6. In the heading of column (4) enter the date on which the total amount of the actual production on the farm in 1938 was finally determined.

7. In column (4) enter the amount of cotton ginned by each producer on the farm--that is, the sum of the entries appearing on line (a) in the columns entitled "Net Pounds" of Part VI of form Cotton 254.

8. The total of the entries in column (4) shall be entered in line 9 of the last sheet of form cotton 254A. The total so determined shall be divided by the number of acres planted to cotton in 1938 on the farm as shown in line 6 of Part I of form Cotton 254 and the resulting average yield per acre shall be entered in the space provided in the heading of column (4).

9. Multiply the number of acres in the farm acreage allotment as shown in line 1 of Part I of form Cotton 254 by the greater of the following:

(1) the average yield per acre shown in the heading of column (4) of form Cotton 254A, or

(2) the normal yield per acre approved for the farm as shown in line 2 of Part I of form Cotton 254.

Enter the result obtained on line 9 in column (5).

10. Divide the entry on line 9 in column (5) by the entry on line 9 in column (4) and enter the resulting percentage, carried to four decimal places, in the heading of column (5).

11. Multiply the amounts in column (4) by the percentage figure in the heading of column (5) and enter the results on the respective lines in column (5). The sum of the entries in column (5) must equal the total shown on line 9 of column (5).

12. If, as a result of the computations made under paragraph 11 of this subsection, the entry for any producer in column (5) is less than the entry for such producer in column (3), and the entry in column (5) is also less than the entry in column (4), so that proviso number (1) in subsection (a) of this section is applicable, enter in column (6) the amount by which the entry in column (3) or the entry in column (4), whichever is the smaller, exceeds the entry in column (5). The amount so entered shall be preceded by a plus sign (+) and circled.

13. If, as a result of the computations made under paragraph 11 of this subsection, the entry in column (5) for any producer exceeds the entry for such producer in column (4) so that proviso number (2) in subsection (a) of this section is applicable, the amount by which the entry in column (5) exceeds the entry in column (4) shall be entered in column (6). The entry so made in column (6) shall be preceded by a minus sign and circled.

14. Take the algebraic sum of the circled plus and minus figures in column (6) and enter the result in line 9 of column (6). If the sum of the minus figures exceeds the sum of the plus figures, the algebraic sum so entered shall be preceded by a minus sign and circled. If the sum of the plus figures exceeds the sum of the minus figures, the algebraic sum so entered shall be preceded by a plus sign and circled.

15. In column (6) extend the figures shown in column (5) which were not affected by either of the provisos as outlined in paragraphs 12, 13, and 14 of this subsection and enter the sum of such figures on line 9 in column (6) beneath the circled algebraic sum.

16. Divide the circled algebraic sum entered on line 9 in column (6), as determined in accordance with paragraph 14 of this subsection, by the uncircled sum entered on line 9 in column (6), as determined in accordance with paragraph 15 of this subsection, and enter the resulting percentage figure, carried to four decimal places, on line "a" of column (6).

17. If the circled algebraic sum entered on line 9 in column (6) is preceded by a minus sign, add the percentage entered on line "a" in column (6) to 100 percent and enter the result on line "b" in column (6) and in the heading of column (7). If the circled algebraic sum entered on line 9 in column (6) is preceded by a plus sign, subtract the percentage entered on line "a" in column (6) from 100 percent and enter the result on line "b" in column (6) and in the heading of column (7).

18. In column (7), enter the amounts shown in column (3) if the circled figure shown in column (6) is a plus amount as provided in paragraph 12 of this subsection and the amounts shown in column (4) if the circled figure shown in column (6) is a minus amount as provided in paragraph 13 of this subsection.

19. In column (7) enter the results obtained by multiplying the uncircled figures in column (6) by the percentage figure shown in the heading of column (7).

20. Total the entries in column (7) and enter the result, which must be the same as the total of column (5), on line 9 in column (7).

21. If any entry in column (7) is affected by either of the provisos referred to in subsection (a) of this section, the computations with respect to the amounts in column (5), as described in paragraphs 12 through 20 of this subsection, shall be repeated with respect to the amounts in column (7) and the results entered in columns (8) and (9) in lieu of columns (6) and (7). Such computations shall be repeated until the producer marketing quota as apportioned or reapportioned is not affected by either of said provisos.

22. The producer marketing quotas finally determined, as provided in the foregoing paragraphs of this subsection, shall be entered in column (12). The total of such entries in column (12) must be the same as the total of column (5).

(d) The information shown on forms Cotton 254A prepared pursuant to subsection (c) of this section will be transcribed to form Cotton 254 as follows:

1. In column (21) of Part VI enter the final adjustment producer marketing quotas shown in column (12) of form Cotton 254A.

2. In line 7 of Part I enter the amount shown on lines 9 in column (4) of form Cotton 254A, which amount must agree with the total line (a) of column (20) of Part VI of form Cotton 254.

3. In line 8 of Part I enter the average yield per acre shown in the heading of column (4) of form Cotton 254A.

4. In line 9 of Part I enter the result obtained by multiplying the entry in line IX by the entry in line 8 of Part I. The result so obtained must be equal to the total of column (12) of form Cotton 254A.

5. In line 10 of Part I enter the greater of the following:

(1) The entry in line 3 plus the entry in line 4 of Part I, or

(2) The entry in line 9 plus the entry in line 4 of Part I.

(e) If the farm marketing quota is apportioned or reapportioned as set forth in this section, the issuance of forms Cotton 212 and related forms Cotton 213 will be affected as follows:

1. If the farm marketing quota was increased as provided in section 201(b) of the regulations, a new form Cotton 212 will be issued, pursuant to section 402(c) of the regulations, to each producer on the farm for whom the producer marketing quota previously apportioned was increased or to the operator of the farm for the entire amount of the increase in the farm marketing quota, in accordance with the procedure outlined in section 211 of those instructions, except that:

a. The letters "XX" shall be entered before the State and county code and farm serial number of the new form Cotton 212.

b. The amount of the producer marketing quota or farm marketing quota, as the case may be, entered on the new form Cotton 212 shall be (1) the difference between the amount of the producer marketing quota previously apportioned and, in the case of an intermediate apportionment, the amount shown opposite the producer's name in the applicable column of form Cotton 254 A or, in the case of a final apportionment, the amount shown opposite the producer's name in column (21) of Part VI of form Cotton 254, or (2) in case form Cotton 212-A was executed

with respect to the farm, the difference between the amount of the farm marketing quota previously determined and the farm marketing quota as increased under section 201(b) of the regulations.

c. In line 1, Part I, of the first set of new forms Cotton 213 enter the amount of the marketing quota which is shown on the accompanying form Cotton 212.

d. In column H of the form Cotton 253 enter the legend "Sec. 402(c)".

2. If the farm marketing quota is not increased as provided in section 201(b) of the regulations and a form Cotton 212-A was not executed with respect to the farm, a form Cotton 212 will be issued pursuant to section 405(b) of the regulations to each producer for whom the producer marketing quota previously apportioned was increased as a result of the reapportionment, in accordance with section 211 of these instructions, except that:

a. The word "Reissue" shall be stamped across the face of the new form Cotton 212.

b. The amount of the producer marketing quota entered on the new form Cotton 212 shall be the difference between the amount of the producer marketing quota previously apportioned and, in the case of an intermediate reapportionment, the amount shown opposite the producer's name in the applicable column of form Cotton 254A or, in the case of a final reapportionment, the amount shown opposite the producer's name in column (21) of Part VI of form Cotton 254.

c. In line 1, Part I, of the first set of new forms Cotton 213, enter the amount of the marketing quota which is shown on the accompanying form Cotton 212.

d. In column H of form Cotton 253 enter the legend "Sec. 405(b)".

3. If the producer marketing quota of any producer to whom form Cotton 212 was issued is decreased as a result of the apportionment or reapportionment of the farm marketing quota as set forth in this section, the County Committee

shall, in accordance with section 405(a) of the regulations, alter the form Cotton 212 heretofore issued to such producer by striking through the amount of the producer marketing quota previously entered thereon and by entering the amount of the decreased producer marketing quota above the previous entry. In line 1, Part I, of the first set of unused forms Cotton 213, the County Committee shall enter the unused portion, if any, of the decreased producer marketing quota determined by subtracting the sum of the entries in lines 2, Part I, of the executed forms Cotton 213a from the amount of the decreased producer marketing quota. If there is no unused amount of the decreased producer marketing quota, the word "None" shall be entered in line 1, Part I, of the first set of unused forms Cotton 213. The entries so made on forms Cotton 212 and 213 shall be signed or initialed by a member of the County Committee. If such a producer fails or refuses to have the form Cotton 212 and forms Cotton 213 so altered, the County Committee shall cancel the form Cotton 212 and forms Cotton 213 in accordance with section 405(a) of the regulations.

4. The sum of all producer marketing quotas with respect to any farm as evidenced by forms Cotton 212, exclusive of any canceled forms Cotton 212, shall not exceed the amount of the farm marketing quota.

If, as a result of the apportionment or reapportionment as set forth in this section, a refund was or will be made to any producers under section 222 of these instructions, the following procedure shall be followed: (1) New forms Cotton 212 and books of forms Cotton 213 reflecting the increase in the producer marketing quota or farm marketing quota shall not be issued if the amount of the poundage on which a refund was made, as shown in the total line of column (8) of form Cotton 257, is equal to the amount by which the farm marketing quota as increased under section 201(b) of the regulations exceeds the amount of the farm marketing quota previously determined; or (2) new forms Cotton 212 and books of forms Cotton 213 reflecting the amount by which the increased amount of the farm marketing quota exceeds the amount of the poundage on which a refund was made, as shown in the total line of column (8) of form Cotton 257, shall be issued if the amount of the poundage on which a refund was made is less than the amount by which the farm marketing quota as increased under section 201(b) of the regulations exceeds the amount of the farm marketing quota previously determined.

(f) Forms Cotton 254A showing the apportionment or reapportionment of the farm marketing quota shall be placed in a binder arranged in the numerical order of the farm account serial numbers.

(g) If one or more of the producers on the farm complains in writing to the County Committee that the apportionment of the farm marketing quota among producers, as determined under this

section, is not fair and equitable, the County Committee may re-apportion the farm marketing quota among the producers on the farm as provided in paragraph 3 of section 205 of the regulations. If the producer marketing quotas are so reapportioned under said section a notation to that effect shall be made on form Cotton 254A and a memorandum, signed by a member of the County Committee, setting forth the basis of such determination, shall be filed in the folder for the farm. In the case of a final reapportionment of the producer marketing quotas, the producer marketing quotas entered in column (21) of Part VI of form Cotton 254 shall be circled and the amount of each producer marketing quota as re-apportioned shall be entered in said column (21) above the circled figure.

Sec. 221. Recording Reports of Cotton Marketed and Penalties Paid. - (a) The record of cotton marketed by producers on any farm on which the acreage of cotton planted in 1938 is in excess of the farm acreage allotment therefor and with respect to which forms Cotton 212 and 213 were issued will be entered in Part VI of form Cotton 254 on the basis of information contained in forms Cotton 213b and forms Cotton 222, as follows:

1. On line (b) in the column entitled "Reference No." enter opposite each producer's name the printed serial number of form Cotton 213b. The reference to the first form Cotton 213b covering the marketing of cotton will be entered on line (b) in column (8) and the references to subsequent forms Cotton 213b will be entered in consecutive order on line (b) in the columns headed "Reference No." in columns (10) through (18).

2. On line (b) of the column entitled "Net Pounds" enter opposite each producer's name the poundage shown in line 2, Part I, of form Cotton 213b. The amount of cotton covered by the first form Cotton 213b will be entered on line (b) in column (9) and the amounts shown in subsequent forms Cotton 213b will be entered in consecutive order on line (b) in the columns headed "Net Pounds" in columns (11) through (19).

3. If form Cotton 222 is submitted by the producer, it shall be placed in a pending file until the form Cotton 213b to which it relates is received. When the related form Cotton 213b is received, the Treasurer of the County Committee shall compare form Cotton 213b with form Cotton 222 to determine that form Cotton 213 has been correctly described in Part I of form Cotton 222 and that the total poundage shown in Part II of form Cotton 222 agrees with the poundage entered on line 2, Part I, of form Cotton 213. If form Cotton 222 is in agreement with form Cotton 213b, the share of each producer in the cotton marketed shall be entered on line (b) of the appropriate column entitled "Net Pounds" of Part VI of form Cotton 254 and the serial number of the form Cotton 213b to which it relates shall be entered on line (b) of the column entitled "Reference No."

4. When all of the cotton produced on the farm by or for any one producer has been marketed, the sum of the entries on line (b) in the columns entitled "Net Pounds" for such producer shall be entered on line (b) in column (20).

5. From time to time, forms Cotton 213b should be examined to determine whether the producer has brought forward correctly from line 3, Part I, of the preceding form Cotton 213b to line 1, Part I, of each form Cotton 213b the unused portion of the marketing quota. If the producer has been preparing forms Cotton 213 incorrectly, he should be so advised and any necessary corrections shall be made in the producer's book of forms Cotton 213b.

(b) The record of the penalties paid or sums tendered as the penalty with respect to the marketing of cotton produced on any farm on which the acreage of cotton planted in 1938 is in excess of the farm acreage allotment therefor and with respect to which forms Cotton 212 and 213 were issued will be entered in Part VII of form Cotton 254 on the basis of information contained in forms Cotton 213b, as follows:

1. On line (a) in the column headed "Reference No." opposite each producer's name enter the printed serial number of form Cotton 213b. The reference to the first form Cotton 213b covering the marketing of cotton subject to the penalty will be entered on line (a) in column (23) and the reference to subsequent forms Cotton 213b will be entered in consecutive order on line (a) in the columns headed "Reference No." in columns (25) through (29).

2. On line (a) of the column headed "Amount" opposite each producer's name enter the poundage shown on line 4, Part I, of form Cotton 213b. The amount of cotton (the marketing of which is subject to the penalty) covered by the first form Cotton 213b will be entered on line (a) in column (24) and the amounts shown in subsequent forms Cotton 213b will be entered in consecutive order on line (a) in the columns headed "Amount" in columns (26) through (30).

3. The Treasurer of the County Committee shall issue a receipt on form Cotton 219 for the amount of the penalty. Form Cotton 219 shall be prepared as outlined in section 212(b) of these instructions, except that the words "as security for payment of the penalty" shall be deleted instead of the words "in payment of the penalty" and following the words "marketing by" the name of the operator or producer as shown in form Cotton 213b shall be entered in the blank space provided.

4. On line (b) of the column headed "Reference No." opposite each producer's name enter the printed serial number of form Cotton 219 issued to the remitter of the penalty. The reference to the first form Cotton

219 will be entered on line (b) in column (23) and the reference number to subsequent forms Cotton 219 will be entered in consecutive order on line (b) in the columns headed "Reference No." in columns (25) through (29).

5. On line (b) of the column headed "Amount" opposite each producer's name enter the amount of the penalty received. Verify the correctness of the penalty received by multiplying two cents by the number of net pounds shown on line (a) in the column entitled "Amount". The amount of the penalty shown on the first form Cotton 219 will be entered on line (b) in column (24) and the amounts of the penalty remitted as shown in subsequent forms Cotton 219 will be entered in consecutive order on line (b) in the columns headed "Amount" in columns (26) through (30).

6. If form Cotton 213b indicates that a penalty was incurred, that is, an entry appears on line 4, Part I, of form Cotton 213b, and the amount of the penalty has not been remitted, no entry will be made in Part VII of form Cotton 254 with respect to such form Cotton 213b and the serial number thereof in the column entitled "Reference No." of Part VI of form Cotton 254 shall be circled in red. The form Cotton 213b shall be placed in a pending file to determine whether the penalty incurred was or was not collected or deducted from the purchase or exchange value of the cotton. If the penalty incurred is subsequently remitted, the procedure outlined in the foregoing portion of this subsection is applicable. If the penalty is not remitted within thirty calendar days next succeeding the day on which the cotton was marketed, the County Committee shall submit a full and detailed report in triplicate to the State Office of the nature of the producer's account and the facts with respect to the refusal or failure to remit the penalty.

7. When all the cotton produced on the farm by or for any one producer has been marketed, the sums of the entries on lines (a) and (b) in the columns entitled "Amount" for such producer shall be entered on lines (a) and (b), respectively, in column (31).

(c) After the information shown in form Cotton 213b has been posted to Parts VI and VII of form Cotton 254, form Cotton 213, together with the related form Cotton 222, if any, shall be filed in the folder for the farm.

(d) If a receipt on form Cotton 219 was issued as outlined in paragraph 3 of subsection (b) of this section, the information contained in form Cotton 219 shall be entered on form Cotton 256, as follows:

1. In column (9) enter the date on which the funds were received as indicated by the date of the form Cotton 219.

2. Make no entry in column (10).

3. In column (11) enter the printed serial number of the form Cotton 219.

4. In column (12) enter the farm account serial number of the farm as shown on form Cotton 254.

5. In column (13) enter the amount of the funds received as shown on the form Cotton 219.

6. If the checks, drafts, or money orders received are not honored upon presentment for payment, a contra entry in red duplicating the information previously entered in Part III of form Cotton 256 shall be made in columns (9) through (13) of Part III of form Cotton 256, or, if the checks, drafts, or money orders were not paid at par, the same contra entry in red shall be made except that the entry in column (13) shall be the difference between the amounts of the checks, drafts, or money orders and the amounts for which they were honored.

7. If subsequently the amount of the dishonored checks, drafts, or money orders is remitted or the difference between their face value and the amount for which they were honored is remitted, the procedure outlined above in this subsection shall be followed.

8. If the checks, drafts, or money orders were not honored at par or were not honored upon presentment for payment and the difference between their face value and the amount for which they were honored or the amount of such checks, drafts, or money orders is not subsequently remitted, the County Committee shall submit a full and detailed report in triplicate to the State Office of the nature of the producer's account and the facts with respect to the refusal or failure to remit the penalty or portion thereof.

(e) If a producer to whom a form Cotton 212 and the book of forms Cotton 213 were issued tenders the penalty, for which he would be liable upon the marketing of any cotton, prior to the time such cotton is marketed, as provided in section 505(b) of the regulations, the Treasurer of the County Committee shall receive the penalty and issue a receipt therefor on form Cotton 219-A, prepared in triplicate, distributed, and dealt with as follows:

1. A separate receipt shall be prepared for each bale of cotton with respect to which the penalty is tendered.

2. In the spaces indicated enter the printed serial number of the producer's form Cotton 212 and the State and County code number.

3. Above the words "(Name of producer)" and "(Full mail address)" enter the name and address, respectively, of the producer.

4. In the space following the words "the sum of" enter in words the amount of the penalty paid.

5. In the space following the words "one bale containing" enter the net weight of the bale of cotton with respect to which the penalty is tendered.

6. In the space following the words "or mark" enter the gin bale number or mark of such bale.

7. In the space following the words "serial number" enter the serial number of the farm.

8. After the dollar mark above the word "Amount" enter in figures the amount of the penalty tendered with respect to such bale which must agree with the amount thereof entered in words in the body of Part I.

9. The Treasurer of the County Committee shall sign the original and the two copies and enter on each the date of his signature.

10. The producer shall sign his name in the space indicated on the original and the two copies and enter on each the date of his signature.

11. The original and first copy shall be delivered to the producer and the third copy retained by the Treasurer of the County Committee.

12. The funds received shall be deposited immediately in the special deposit account as provided in section 224 of these instructions, and the information shown on the form Cotton 219-A shall be posted to form Cotton 256 in the manner outlined in subsection (d) of this section except that the legend "Cotton 219-A" shall be entered in column (11) above the printed serial number of form Cotton 219-A.

13. Form Cotton 219-A shall be placed in a pending file until the related form Cotton 213b is returned to the County Office as provided in section 603(a) of the regulations. The data on form Cotton 213b and the related form Cotton 219-A shall be posted to Parts VI and VII of form Cotton 254 as provided in this section. The copy of form Cotton 219-A shall then be filed in the folder for such forms.

Sec. 222. Adjustments of Penalties by County Committees.

(a) If a producer files a claim, pursuant to section 508 of the regulations, for the return to him of any funds which were tendered in payment of the penalty, the amount thereof which is determined not to have been incurred as a penalty and which may be refunded to such producer will be determined by preparing form Cotton 257, in the original only, as follows:

1. In the spaces indicated enter the farm account serial number shown on form Cotton 254 and the State and county code and farm serial number.

2. In column (1) enter the names of all producers on the farm in the order in which they appear in column (1) of Part V of form Cotton 254.

3. In column (2) opposite the name of each producer enter the number of pounds of cotton marketed in excess of his producer marketing quota, determined by subtracting the amount of the producer marketing quota apportioned or reapportioned to him under section 210 or section 220 of these instructions from the sum of the entries opposite his name on line (b) of the columns headed "Net Pounds" in Part VI of form Cotton 254. On line 9 in column (2) enter the sum of the entries in column (2). If any producer has not marketed cotton in excess of his producer marketing quota, enter zero in column (2) opposite his name.

4. In column (3) enter for each producer the sum of the entries on line (a) of columns (24) through (28) headed "Amount" of Part VII of form Cotton 254 minus the sum of the entries on line (a) of columns (33) and (35) headed "Amount" of Part VII of form Cotton 254. On line 9 in column (3) enter the sum of the entries in column (3).

5. In column (4) enter the following: (a) if the amount in column (3) exceeds the amount in column (2), enter the difference between such amounts in column (4) and enter a plus sign to the left of such difference; or (b) if the amount in column (2) exceeds the amount in column (3), enter the difference between such amounts in column (4) and enter a minus sign to the left of such difference.

6. Take the algebraic sum of the plus and minus figures in column (4) and enter the result on line 9 of column (4). If the sum of the minus figures exceeds the sum of the plus figures, the algebraic sum so entered shall be preceded by a minus sign. If the sum of the plus figures exceeds the sum of the minus figures, the algebraic sum so entered shall be preceded by a plus sign.

7. The difference between the totals of columns (2) and (3) must equal the algebraic total of column (4). If the algebraic total of column (4) is a minus figure or zero the claim of the producer shall be disallowed and the producer so notified in writing as provided in section 508(b) of the regulations.

8. If the algebraic total of column (4) is a plus figure, enter in column (5) the result obtained by multiplying the plus entries in column (4) by 2 cents and enter the sum of such results on line 9 in column (5). Make no entry in column (5) with respect to the minus figures in column (4).

9. If there are plus and minus figures in column (4), the County Committee and the Treasurer of the County Committee shall ascertain whether the plus poundage figure shown for any producer in column (4) represents cotton of any other producer or producers which was marketed by such producer and included on a form Cotton 213 issued to such producer, or represents cotton the marketing of which was subject to the penalty because the amount of the producer marketing quota for such producer was apportioned incorrectly to another producer. The amount of such cotton with respect to the marketing of which such producer paid the penalty incurred by any other producers on the farm shall be subtracted from the entry in column (4) for such producer and the result entered in column (6). If the County Committee and the Treasurer of the County Committee find that the plus poundage figure in column (4) for any producer does

not represent cotton with respect to the marketing of which such producer paid the penalty incurred by any other producers on the farm, the plus poundage figure in column (4) for such producer shall be entered in column (6).

10. If the sum of the entries in column (6) is equal to the plus algebraic total on line 9 in column (4), enter in column (8) the figures in column (6) and multiply 2 cents by each entry in column (8) and enter the result in column (9). Make no entry in column (7).

11. If the sum of the entries in column (6) exceeds the plus algebraic total of column (4), divide the plus algebraic total of column (4) by the total of column (6) and enter the resulting percentage, carried to four decimal places, in column (7) opposite each entry in column (6). Multiply each entry in column (6) by the percentage figure in column (7) and enter the result in column (8). The sum of the entries in column (8) must be equal to the plus algebraic total of column (4). Multiply 2 cents by the entries in column (8) and enter the result in column (9).

12. If all the figures in column (4) are plus figures, enter in column (8) each figure in column 4. Multiply 2 cents by the figures in column (8) and enter the result in column (9). Make no entries in columns (5), (6), and (7).

13. The sum of the entries in column (9) must be equal to the sum obtained by multiplying 2 cents by the amount on line 9 in column (4).

14. A member of the County Committee and the Treasurer of the County Committee shall sign form Cotton 257 and enter the date of their signatures in the spaces provided.

(b) The Treasurer of the County Committee shall issue a check drawn payable to the order of each producer for whom an entry is shown in column (9) of the form Cotton 257 in the amount of such entry shown opposite the producer's name. The issuance of such checks shall be recorded on form Cotton 257 as follows:

1. In column (10) enter the date of the check.
2. In column (11) enter the serial number of the check.

3. In column (12) enter the amount for which the check is drawn, and total the amounts entered in column (12).

(c) The Treasurer of the County Committee shall deliver the checks issued in accordance with subsection (b) of this section to the payees named therein and obtain receipts therefor on form Cotton 258 prepared in duplicate as follows:

1. In the spaces indicated enter the farm account serial number and the State and county code number and farm serial number shown on form Cotton 257.

2. In the spaces provided in the first line of the printed matter enter the date the check is delivered to the payee.

3. In the spaces provided in the second line of the printed matter, enter the name of the Treasurer of the County Committee and the name of the county.

4. In the spaces provided in the third and fourth lines of the printed matter enter the amount for which the check is drawn.

5. The payee of the check shall sign his name and enter the date of his signature in the spaces provided on the original and copy. Such signature should correspond with the name of the payee shown in the check. The original shall be delivered to the Treasurer of the County Committee and the copy retained by the producer.

(d) The information shown on forms Cotton 257 and 258 shall be recorded in Part IV of form Cotton 256 as follows:

1. In column (14) enter the date of the check as shown in column (10) of form Cotton 257.

2. In column (15) enter the serial number of the check as shown in column (11) of form Cotton 257.

3. In column (16) enter the farm account serial number shown on forms Cotton 257 and 258.

4. Make no entry in column (17).

5. In column (18) enter the name of the payee as shown on form Cotton 258.

6. In column (19) enter the amount of the check as shown on form Cotton 258.

(e) The information shown on forms Cotton 257 and 258 shall be recorded in Part VII of form Cotton 254 as follows:

1. On line (a), column (32), for the first refund, or column (34) for the second refund, enter the serial number of the check as shown in column (II) of form Cotton 257.

2. On line (b) of column (32) for the first refund, or column (34) for the second refund, enter the printed serial number of the form Cotton 258.

3. On line (a) of column (33) for the first refund, or column (35) for the second refund, enter the number of pounds shown in column (8) of form Cotton 257.

4. On line (b) of column (33) for the first refund, or column (35) for the second refund, enter the amount of the check as shown on form Cotton 258 and in column (12) of form Cotton 257.

(f) Forms Cotton 257 shall be placed in a binder in the numerical order of the farm account serial numbers. Form Cotton 258 shall be placed in the folder for such farms.

Sec. 223. Closing Farm Accounts for Farms Planting in Excess of Acreage Allotments.- (a) As provided in section 603(b) of the regulations, the operator of each farm on which the planted cotton acreage in 1938 exceeds the farm cotton acreage allotment shall submit a report on form Cotton 217, prepared in duplicate, after all cotton produced on the farm in 1938 has been harvested or not later than January 1, 1939, whichever is the earlier. If the total production of cotton in 1938 has not been harvested and marketed prior to January 1, 1939, the operator shall file an additional report on Cotton 217, prepared in duplicate, as soon as possible after all cotton produced has been marketed or not later than August 1, 1939, whichever is the earlier. Form Cotton 217 will be prepared as follows:

1. In the spaces indicated enter the sheet number and the number of sheets in the report; the serial number of the farm; the name of the county; and the name of the State.

2. In column (a) enter the names of all producers on the farm having an interest in the cotton crop produced in 1938 or the proceeds thereof or who have cotton on

hand from any previous crop. Wherever practicable, the operator should list the names of such producers in the order in which they appear on form Cotton 254.

3. In column (B) enter the share of each producer in the total production in 1938 of the acreage planted to cotton on the farm exclusive of cotton over 1-1/2 inches in staple length.

4. In column (C) enter the amount of cotton from any previous crop which each producer had on hand as of August 1, 1938, exclusive of the amount of cotton which at the time of making the report is pledged as collateral security to a public or private lending agency for a Commodity Credit Corporation cotton loan. Cotton from any previous crop includes cotton produced prior to the year 1938 on any other farm than that with respect to which the report is made.

5. In column (D) enter the amount of the producer marketing quota finally apportioned or reapportioned to each producer as outlined in sections 210 and 220 of these instructions plus the entry in column (C). The sum of the entries in column (D) must be equal to the amount of the farm marketing quota determined for the farm by the County Committee pursuant to section 201(b) of the regulations.

6. In column (E) enter the total amount of the cotton which has been marketed by or for each producer excluding sales made in connection with form Cotton 221.

7. In column (F) enter the amount by which the amount in column (E) exceeds the amount in column (D) for each producer.

8. In column (G) enter the number of pounds of cotton with respect to the marketing of which the penalty was paid, exclusive of any cotton with respect to which the sums tendered as payment of the penalty have been refunded.

9. In column (H) enter the number of pounds of lint cotton which each producer has on hand which has not been marketed at the time of submitting the report. If the sum of the entries in columns (B) and (C) is equal to the entry in column (E), enter a zero in column (H).

10. In column (I) enter the estimated amount of lint cotton which each producer will harvest from the 1938 crop after the report is submitted. If all cotton has been harvested at the time the report is submitted, enter a zero in column (I).

11. In Part I the operator shall certify to the correctness of the report by signing his name in the space indicated and enter the date and place of his signature, and shall print or type his name and full mail address in the space provided.

12. The original of form Cotton 217 shall be filed in the County Office and the copy retained by the operator.

(b) If a preliminary report on form Cotton 217 is submitted, the information shown thereon shall be compared with the comparable information on form Cotton 254. Any preliminary report on form Cotton 217 shall be so marked by inserting the word "Preliminary" above the heading "Farm Operator's Report", and shall be filed in the folder for the farm. The information contained in the final report on form Cotton 217 and the information shown in form Cotton 254 shall be compared and verified as follows:

1. The amount entered on line (a) in column (20) of form Cotton 254 for each producer must be equal to the amount shown in column (B) of form Cotton 217 for each producer. The total on line 9(a) in column (20) of form Cotton 254 must be equal to the total of column (B) of form Cotton 217.

2. The amount entered on line (b) in column (20) of form Cotton 254 for each producer must be equal to the amount shown in column (E) of form Cotton 217 for each producer. The total on line 9(b) of column (20) of form Cotton 254 must be equal to the total of column (E) of form Cotton 217.

3. The uncircled amount shown for each producer in column (3) of form Cotton 254 must be equal to the amount shown in column (C) of form Cotton 217 for each producer. The total on line 9 in column (3) of form Cotton 254 must be equal to the total of column (C) of form Cotton 217. If circled entries appear in column (3) of form Cotton 254, circle the entry on line 4 of Part I of form Cotton 254 and enter in lieu thereof the sum of the entries in column (3) of form Cotton 254.

4. The sum of the entries for each producer in columns (3) and (21) of form Cotton 254 must be equal to the entry in column (D) of form Cotton 217 for each producer. The sum of the totals on line 9 of columns

(3) and (21) of form Cotton 254 must be equal to the total of column (D) of form Cotton 217. The total on line 9 of column (21) of form Cotton 254 must be equal to the entry on line 3, or line 9, whichever is the greater, of Part I of form Cotton 254. The entry on line 3 or line 9, whichever is the greater, plus the uncircled entry on line 4 of Part I of form Cotton 254, must equal the entry on line 10 of Part I of form Cotton 254. The entry on line 10 of Part I of form Cotton 254 must also be equal to the sum of the totals on line 9 in columns (3) and (21) of form Cotton 254.

5. The entry on line 7 of Part I of form Cotton 254 must be equal to the entry on line 9 (a) of column (20) of form Cotton 254 and must also be equal to the total of column (B) of form Cotton 217.

6. In column (22) of form Cotton 254, for each producer enter the amount by which the entry on line (a) of column (20) exceeds the entry in column (21) of said form, and enter the sum of such entries on line 9 in column (22) of said form.

(c) In verifying the entries in Part VII of form Cotton 254 with the comparable entries in form Cotton 217, the following procedure is applicable:

1. The sum of the entries for each producer on lines (a) and (b) of the columns headed "Amount" in columns (24) through (30) of form Cotton 254 shall be entered on lines (a) and (b) in column (31) of said form, and the total of such entries entered on lines 9(a) and 9(b) respectively in column (31) of said form.

2. The sum of the entries for each producer on lines (a) and (b) of columns (33) and (35) of form Cotton 254 shall be entered on lines (a) and (b) in column (36) of said form, and the totals of such entries entered on lines 9(a) and 9(b) respectively in column (36) of said form.

3. The amounts by which the entries for each producer on lines (a) and (b) of column (31) of form Cotton 254 exceed the entries on lines (a) and (b) of column (36) of said form shall be entered on lines (a) and (b) of column (37) of said form.

(d) If the entry on line (a) in column (37) of form Cotton 254 for any producer exceeds the entry on line (b) in column (20) of said form and the entry on line 9(a) in column (37) exceeds the entry on line 9(b) in column (20), the County

Committee and the Treasurer of the County Committee shall, in accordance with section 508(c) of the regulations and section 222 of these instructions, refund the amount tendered by such producer in excess of the penalty incurred.

(e) The entry on line (a) in column (37) of form Cotton 254 for each producer must equal the entry in column (G) of form Cotton 217 for each producer and the totals of such columns must agree.

(f) If the owner or operator of a farm on which the planted cotton acreage exceeds the farm cotton acreage allotment secured the payment of the total estimated penalty to be incurred by depositing funds to be held in escrow or by executing a bond of indemnity as provided in section 507 of the regulations, a record of the result of the apportionment or reapportionment of the farm marketing quota and a summary of the cotton ginned from the farm will be shown in form Cotton 254 and a record of the marketing of cotton produced on the farm and the amount of the penalty incurred will be shown on the final report of the farm operator on form Cotton 217. The information contained in form Cotton 217 shall be verified by the County Committee as follows:

1. The amount, if any, of cotton on hand at the time the report is filed, as shown in column (H), shall be verified by actual inspection of the cotton or by the examination of certificates of title thereto.

2. The total amount of cotton marketed, as shown in column (E), must, unless the contrary is satisfactorily proven, be equal to the result obtained by subtracting the verified amount of the cotton on hand, as shown in column (H), from the sum of the following: (1) the amount of cotton produced on the farm in 1938, as shown on line (a) of column (20) of form Cotton 254, and (2) the amount of cotton from any previous crop which the producers on the farm had on hand at the beginning of the marketing year, as shown in column (C). If there is no entry in column (H), the amount of the cotton marketed cannot be less than the sum of the entries in column (C) plus the amount of cotton produced in 1938 on the farm, as shown in line 9a of column (20) of form Cotton 254.

3. The total of column (F) must be equal to the amount by which the total of column (E) exceeds the total of column (D).

4. The amount of the penalty incurred with respect to the marketing of cotton from the farm shall be determined by multiplying 2 cents by the total of column (F). Enter the result so obtained in line 4 of Part II of form Cotton 254.

5. In line 5 of Part II of form Cotton 254 enter the amount by which the entry in line 4 is in excess of or less than the entry in line 3.

6. If funds were deposited to be held in escrow to secure payment of the penalty, the following entries shall be made in form Cotton 256 upon approval by the County Committee of form Cotton 217:

a. In column (5) enter the ~~f~~current date.

b. In column (6) enter the serial number of the form Cotton 219 issued with respect to the remittance followed by a dash (-) and the sheet number of the form Cotton 256 on which it was recorded.

c. In column (7) enter the farm account serial number as shown on form Cotton 254.

d. In column (8) enter the amount of the funds held in escrow.

e. In column (9) enter the current date.

f. In column (10) enter the reference number for the transaction which was entered in column (6).

g. Make no entry in column (11).

h. In column (12) enter the farm account serial number as shown in column (7).

i. In column (13) enter the amount of the funds held in escrow.

7. If line 4 of Part II of form Cotton 254 exceeds line 3 thereof and funds were placed in escrow to secure payment of the penalty, the owner or operator shall be requested to pay the amount shown in line 5. If the amount is not paid by the owner or operator, the County Committee shall submit a full and detailed report in triplicate to the State Office of the nature of the producer's account and the facts with respect to the refusal or failure to remit the amount of the penalty incurred. If the amount shown in line 5 is remitted to the Treasurer of the County Committee by the owner or operator, a receipt, to be issued to the owner or operator, shall be prepared on form Cotton 219 as outlined in section 212(b) of these instructions, except that the words "as security for payment of the penalty" shall be deleted instead of the words "in pay-

ment of the penalty" and following the words "marketed by" the name of the owner or operator shall be entered in the blank space provided. The information contained in form Cotton 219 shall be posted to form Cotton 256 in accordance with subsection (d) of section 221 of these instructions.

8. If the amount in line 3 of Part II of form Cotton 254 exceeds the amount in line 4 and funds were deposited to be held in escrow to secure payment of the penalty, the amount of such excess shall be entered in paragraph 2 of Part II of form Cotton 217 following the dollar sign and a member of the County Committee and the Treasurer of the County Committee shall sign their names and enter the date of the signatures in the spaces provided. The Treasurer of the County Committee shall return the amount of such excess to the owner or operator by a check drawn against the special deposit account in accordance with section 224 of these instructions and the following entries shall be made in form Cotton 256:

a. In column (14) enter the date of the check drawn by the Treasurer of the County Committee payable to the owner or operator.

b. In column (15) enter the serial number of such check.

c. In column (16) enter the farm account serial number as shown on form Cotton 254.

d. Make no entry in column (17).

e. In column (18) enter the name of the owner or operator to whose order the check is drawn payable.

f. In column (19) enter the amount of the check drawn payable to the order of the owner or operator.

9. A receipt on form cotton 258 shall be obtained by the Treasurer of the County Committee, in the manner outlined in subsection (c) of section 222 of these instructions, for the refund to any producer of the excess funds deposited to be held in escrow to secure the payment of the penalty which was found not to have been incurred.

10. If a bond of indemnity on form Cotton 215 was executed to secure the payment of the penalty, the owner or operator whose name appears in form Cotton 215 as principal shall be notified of the amount of the penalty entered in line 4 of Part II of form Cotton 254 and advised that such amount is immediately due and payable. If the amount of the penalty incurred is not paid the County Committee shall submit a full and detailed report in triplicate to the State Office of the nature of the producer's account and the facts with respect to the refusal or failure to remit the amount of the penalty incurred. If the amount shown in line 4 is remitted to the Treasurer of the County Committee, a receipt, to be issued to the owner or operator, shall be prepared on form Cotton 219 as outlined in section 212(b) of these instructions, except that the words "as security for payment of the penalty" shall be deleted instead of the words "in payment of the penalty" and following the words "marketing by" the name of the operator or producer shall be entered in the blank space provided. The information contained in form Cotton 219 shall be posted to form Cotton 256 in accordance with subsection (d) of section 221 of these instructions.

(g) If a white marketing card is issued pursuant to section 212(h) or section 213 of these instructions with respect to a farm on which the planted cotton acreage exceeds the farm cotton acreage allotment, the form Cotton 217 submitted by the operator of such farm shall be compared with the information shown on form Cotton 254, and the information contained in form Cotton 217 shall be verified in accordance with the foregoing provisions of this section. If it is found that any producer on such farm has incurred a penalty with respect to the marketing of cotton he shall be notified of the amount of such penalty and advised that such penalty is immediately due and payable. If the amount of the penalty is not paid, the County Committee should submit a full and detailed report in triplicate to the State Office of the nature of the account and the facts with respect to the failure or refusal to remit the amount of the penalty incurred. If the amount of the penalty incurred, or a portion thereof, is remitted a receipt to be issued to the producer remitting the penalty shall be prepared on form Cotton 219 as outlined in section 212(b) of these instructions, except that the words "as security for payment of the penalty" shall be deleted instead of the words "in payment of the penalty" and following the words "marketing by" the name of the operator or producer should be entered in the blank space provided. The information contained in form Cotton 219 shall be posted to form Cotton 256 in accordance with subsection (d) of section 221 of these instructions.

(h) Each form Cotton 217 submitted to the County Office shall be examined by the County Committee and the Treasurer of the County Committee

in accordance with the foregoing provisions of this section, and if found to be correct shall be signed as indicated in Part II of form Cotton 217 by a member of the County Committee and the Treasurer of the County Committee. Forms Cotton 217 which have been approved shall be filed in the folder for the farm.

Sec. 224. Cotton Special Deposit Trust Account and Miscellaneous Expenses. - (a) A cotton special deposit trust account shall be opened by the Treasurer of the County Committee as provided in section 510 of the regulations as soon as arrangements in connection therewith have been completed by the County Committee. Any funds received by the Treasurer of the County Committee in payment of or to secure the payment of penalties shall be deposited promptly in the special deposit account. All funds deposited in such account shall be evidenced in accordance with the customary procedure of the depository bank in the case of such a special deposit account the funds in which do not become a part of the assets of the bank and are not to be commingled with such assets, and such evidence and all statements of account and canceled checks which were drawn against such account shall be kept as permanent records by the Treasurer of the County Committee. Any funds deposited in the special deposit account shall be withdrawn or disbursed only by consecutively numbered checks drawn by the Treasurer of the County Committee to carry out the provisions of the regulations and these instructions, and on the stubs or counterfoils of his check book he shall keep a record of the issuance of each check.

(b) The Treasurer of the County Committee shall not less than once each month reconcile the special deposit account with the records of receipts and disbursements contained in form Cotton 256.

(c) All charges by the depository bank for the service of the account shall be paid from the administrative expense funds provided in the approved budget of the County Committee in accordance with existing procedure.

(d) A record of each form Cotton 211-A-t, form Cotton 213b, and form Cotton 221b shall be kept for the purpose of accounting for the amount of postage required to be paid in connection therewith by the Treasurer of the County Committee. Arrangements should be made with the local postmaster whereby payment of postage in connection with such forms may be made at the end of each calendar month or at other convenient intervals. The expenses in connection with postage for such forms shall be paid out of the administrative expense funds approved in the budget of the County Committee in accordance with existing procedure.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATIONINSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS FOR THE
1938-1939 MARKETING YEAR

U.S. Department of Agriculture

PART I. DETERMINING 1938 FARM COTTON ACREAGE ALLOTMENTS AND NORMAL
YIELDSA. COUNTY OFFICE PROCEDURE

Section 1. Eligibility. - A cotton acreage allotment will be determined for each farm on which cotton was planted in any one or more of the years 1935, 1936, or 1937 and also for farms on which cotton was not planted in any of the three years 1935 to 1937 but on which cotton is planted in 1938.

Sec. 2. Rule of Fractions. - All figures regarding tilled acreage entered in the right margin of section I of the work sheet (Form SR-101) shall be rounded to the nearest whole acre. The diverted acreage, all measured acreage, and the 1937 rice acreage shall be shown to the nearest tenth of an acre. The sum of the actual acreage plus the acreage diverted from cotton production, which will be entered in the column headed "Total" in Table 1 of the work sheet if more than 10 acres, shall be rounded to the nearest whole acre, or, if less than 10 acres, shall be shown to the nearest tenth of an acre. The average wheat acreage, if Table 3 is executed for wheat, and the "Average Wheat Base Acreage", which will be shown in the margin at the bottom of Table 3, shall be shown to the nearest tenth of an acre if less than 10 acres, or, if 10 acres or more, shall be rounded to the nearest whole acre. In rounding fractional acreage, five-tenths of an acre or less shall be dropped, and more than five-tenths of an acre shall be considered a whole acre.

Sec. 3. First Grouping of 1937 Work Sheets. - The State office will provide each county office with a list of work sheets executed in connection with the 1937 program classified according to the group in which the work sheet was included. The group letter indicated on the list received from the State office should be transferred to the top-center above Section I of the applicable work sheet bearing the serial number on the State office list.

All additional 1937 work sheets executed in 1938 must be grouped. They will not be included on the list received from the State office. It is necessary that the group classification be determined and verified, after which the group number (N-N, O-O, etc.) should be entered at the top, directly over Section I of the work sheet. Additional 1937 work sheets executed in 1938 will be grouped in the same manner as work sheets signed in connection with the 1937 program with the following exceptions: (1) Double letters (N-N, O-O, etc.) will be used, (2) no distinction need be made between

cotton harvested and not harvested in 1937, and (3) groups V-V and W-W have been added.

It is most essential that all work sheets be classified in their respective groups. To determine the proper classification the three divisions of Section III of the work sheet should be thoroughly understood. The first part relates to former serial number references. The second part refers to the farm in 1937 as it relates to the crop-land covered by a 1936 work sheet, a 1935 cotton contract, or a 1935 Bankhead application. Depending on the execution of these preceding parts of Section III, the third part provides a place for listing the various references ("part of", and "all") incident to properly explaining the relation of the farm as it was in 1937 to previous adjustment programs. When Section III is correctly executed grouping should begin as follows:

(1) If the word "is" is entered in both spaces of the second part of Section III, the work sheet falls into one of the two major groups, N-N and O-O, whichever is applicable in accordance with the data outlined in a. and b. below.

a. If a contract reference is shown the work sheet will be identified at the top-center as Group N-N.

b. If only a Bankhead reference is shown the work sheet will be identified as Group O-O.

(2) If the spaces in the second part of Section III are executed as "is not" - "is not", "is not" - "x", or "x" - "is not", the work sheet will be identified at the top-center as Group P-P.

(3) If the second part of Section III is executed as an "is" - "is not" case or "is" - "x", the work sheet will be identified at the top-center as Group Q-Q.

(4) If the second part of Section III is executed as an "is not" - "is" case, the work sheet will be identified at the top-center as Group R-R.

(5) If the first space in the second part is deleted with the letter "x" and the second space is an "is" case, the work sheet will be identified at the top-center as Group S-S.

(6) Work sheets representing farms for which a cotton base has never been established but on which cotton was planted at least once during the period 1928 to 1935 will not have a reference to either a 1936 work sheet or a cotton contract. Such work sheets will be identified at the top-center as Group U-U. Also, classify in Group U-U any work sheets

representing farms for which a 1937 cotton base could have been established but not provided for in the foregoing groups.

(7) Any work sheets for which a cotton acreage allotment will not be established for 1938 will be identified at the top-center as Group T-T.

(8) Work sheets representing farms on which a cotton base had not been previously established and on which cotton was planted in 1936 for the first time since 1927, as shown in Table 1, should be identified at the top-center as Group V-V.

(9) Work sheets representing farms on which cotton was planted in 1937 for the first time since 1927, as shown in Table 1, will be identified at the top-center as Group W-W.

Sec. 4. Filling Out Table 1 on Back of the Work Sheet. -

It is necessary that Table 1 be completely executed for every cotton farm for the years 1933 through 1937. The table should be changed so as to provide space for diverted acreage and for actual plus diverted cotton acreage for each of the applicable years 1935, 1936, and 1937. The space in the column headed "year" in such table should be subdivided into two columns. The right column should be headed "Diverted" and the left column headed "Total". If found more convenient, such headings may be abbreviated by using the letters "D" and "T". Enter in the column headed "Diverted" the acreage diverted from cotton during each applicable year. Enter in the "Total" column the actual plus diverted acreage for each applicable year. The year "1932" in the fifth line should be changed to read "1937". For work sheets for which data will have been entered previously for 1932, strike through such data and enter the 1937 data therein.

(a) Obtaining cotton acreage data for 1935-1937. -

(1) Actual cotton acreage. - The actual cotton acreage for each of the years 1935, 1936, and 1937 will be entered in the applicable spaces in the column headed "Acreage" in Table 1 on the back of the work sheet. This entry will be made for all 1937 work sheets; that is, for work sheets executed in connection with the 1937 program, and also for the additional 1937 work sheets executed in 1938. The actual cotton acreages for 1935 and 1936 can be secured from Section I, line 2, columns D and G, respectively, of the work sheet. The 1937 cotton acreage, for work sheets for which a report of performance, Form SR-108 or Form SR-113, was executed, should be entered in the applicable space in Table 1 from line 8, column (b), of the respective Form SR-108 or from line 10, column B, Form SR-113.

For farms for which a report of performance was not executed, the 1937 cotton acreage must be secured from the producer.

(2) Diverted cotton acreage.- a. For all 1937 program work sheet farms.- For Group N farms: For all work sheets designated in Group N the 1935 diverted acreage will be entered in the column headed "Diverted", from item 2, Section II, Form No. Cotton 121. The 1936 diverted acreage will be the difference between the 1936 base and the 1936 measured cotton acreage, but not in excess of 35 percent of the 1935 base, or in excess of two acres if such base is five acres or less, as determined from line 2, Section I, columns E and G, of Form SR-101. The 1937 diverted acreage will be the difference between the 1937 base and the 1937 measured cotton acreage, but not in excess of 35 percent of the 1937 base or in excess of two acres if the base is 5.7 acres or less, as determined from the data shown in line 2, column M, Section I, and the 1937 measured cotton acreage shown in Table 1, of Form SR-101. If the tabulation of the 1937 diverted acreage for participants, as determined (during the week ending January 22), is available in the county office, the 1937 diverted acreage may be transcribed from column (4) of the tabulation.

For Group O farms: For farms designated in Group O, a zero will be entered in the space for the 1935 diverted acreage. The 1936 and 1937 diverted acreage will be determined as outlined above for work sheets designated in Group N.

For Group S farms: For work sheets designated in Group S the 1935 diverted acreage will be obtained from item (2), Section II, Form No. Cotton 121, if any. If only a Bankhead reference is shown for the work sheet, Form No. Cotton 121 will not be available, in which case a zero will be entered as the 1935 diverted acreage. A zero will be entered for the 1936 diverted acreage for all work sheets in this group. The 1937 diverted acreage will be determined as outlined above for work sheets designated in Group N.

For Group V farms: For work sheets designated in Group V a zero will be entered in the space for the 1935 and 1936 diverted acreage. The 1937 diverted acreage will be determined as outlined above for work sheets designated in Group N.

For Group Q farms: For work sheets designated in Group Q a line should be drawn through the columns

headed "Total" and "Diverted" for 1935: The 1936 and 1937 diverted acreage will be determined as outlined above for Work sheets designated in Group N.

For Group R farms: For work sheets designated in Group R the 1935 diverted acreage will be obtained from item (2), Section II, Form No. Cotton 121, if any. If only a Bankhead reference is shown for the work sheets, Form No. Cotton 121 will not be available, in which case the 1935 diverted acreage will be zero. A line should be drawn through the columns headed "Total" and "Diverted" for the year 1936. The 1937 diverted acreage will be determined as outlined above for Group N.

For Groups P and U farms: For work sheets designated in Groups P and U a line should be drawn through the columns headed "Total" and "Diverted" for the years 1935 and 1936. The 1937 diverted acreage will be determined as outlined above for work sheets designated in Group N.

For Group T farms: For work sheets designated in Group T the 1937 diverted acreage will be zero. The cropland covered by the 1937 work sheet, however, may be identical with the cropland covered by a 1935 cotton contract or a 1936 work sheet, in which case determine the diverted acreage, as outlined above for work sheets designated in Group N, only for the year in which the cropland is identical with the cropland covered by the 1937 work sheets.

b. For additional 1937 work sheet farms.-

For Group N-N farms: For work sheets designated in Group N-N the 1935 and 1936 diverted acreage will be determined as outlined above for work sheets designated in Group N. The 1937 diverted acreage will be zero.

For Group O-O farms: For work sheets designated in Group O-O the 1935 and 1937 diverted acreage will be zero. The 1936 diverted acreage will be determined as outlined above for work sheets designated in Group N.

For Group S-S farms: For work sheets designated in Group S-S the 1935 diverted acreage will be determined as outlined above for work sheets designated in Group S; the 1936 and 1937 diverted acreage will be zero.

For Group Q-Q farms: For work sheets designated in Group Q-Q a line should be drawn through the columns headed "Total" and "Diverted" for 1935. The 1936

diverted acreage will be determined as outlined above for work sheets designated in Group N. The 1937 diverted acreage will be zero.

For Group R-R farms: For work sheets designated in Group R-R the 1935 diverted acreage will be determined as outlined above for work sheets in Group S. The 1936 and 1937 diverted acreage will be zero.

For Groups P-P and U-U farms: For work sheets designated in Groups P-P and U-U a line should be drawn through the columns headed "Total" and "Diverted". The 1937 diverted acreage will be zero.

For Group T-T farms: For work sheets designated in Group T-T the 1935 and 1936 diverted acreage, if any, will be determined as outlined above for work sheets in Group T. The 1937 diverted acreage will be zero.

For Group W-W farms: For work sheets designated in Group W-W the diverted acreage will be zero.

(3) Total of actual acreage plus diverted acreage.- For each of the years 1935, 1936, and 1937 the actual acreage will be added to the diverted acreage and the sum entered in the column for "Total" except that no entry will be made in the "Total" column if it has been lined out.

The largest acreage (actual plus diverted) for any of the years 1935, 1936, and 1937 as shown in the column headed "Total" shall be encircled, using a red pencil.

(b) Obtaining cotton acreage data for 1933 and 1934 and yield data for 1933-1937. - The acreage and yield for the years 1933 and 1934 and the yield for the years 1935 to 1937, inclusive, should be entered in Table 1 of the work sheet from the following sources:

For the year:	Source of information:
<u>1933</u>	<ol style="list-style-type: none"> 1. Table 1, items 1 and 5, Form Cotton 1-b; or 2. Items 1 and 11 - (1) on plow-up contract; or 3. Table 2, line 2, Form Cotton 101A; or 4. Table 1, line 1, Form B.A. 8; or 5. Table 1, line 2, Form B.A. 208; or 6. Form No. Cotton and/or 9.
<u>1934</u>	<ol style="list-style-type: none"> 1. Preamble, Form No. Cotton 104; or 2. Preamble, Form No. Cotton 102; or 3. Table 2, line 1, Form Cotton 101A; or 4. Table 1, line 1, B.A. 208 for acres and columns 7, 9, 10, 11, and 12. Form D.C. 1, for production.
<u>1935</u>	<ol style="list-style-type: none"> 1. Section II, line 1, column (D), Form SR-1; or 2. Record of tax-exemption certificates used; or 3. Preamble, Form C.A.P. 2, for production.
<u>1936</u>	<ol style="list-style-type: none"> 1. Section 1, line 2, column H, Form SR-101.
<u>1937</u>	<ol style="list-style-type: none"> 1. Sales certificates for 1937 cotton price adjustment payments and/or gin tickets.

In the above references for years for which production is shown only in bales and the average weight of lint per bale is not shown in

the references, 478 pounds should be used in computing the actual production represented by the number of bales shown.

If the farm covered by a 1937 work sheet is a split or a combination and the above references for any year cover only a part of or more than the farm represented by the 1937 work sheet, the letter "S" (for split) or the letter "C" (for combination) should be entered in the space for the yield for the year(s) in which the farm as constituted in such year is not identical with the farm in 1937. No acreage figure will be entered for such year. In appraising the normal yield for the farm the county committee shall take into consideration the data in the county office with respect to yields for the year(s) before such farms were split or combined, together with the appraised yields for other farms in the same community similar with respect to type of soil, drainage, production practices, and general fertility of the land.

When the acreage and yield have been entered for the years during the period 1933-1937 in which cotton was produced on the farm, the production should be computed for each such year. This can be done by multiplying the acreage by the yield as shown in the last two columns of Table 1. The production should be shown in whole pounds, fractions of five-tenths or less being dropped and fractions of more than five-tenths being considered a whole pound.

The data shown in Table 1 for the years 1933-1937, inclusive, should then be summarized. Data previously entered in the last four lines of Table 1 should be stricken out. Totals of the production and acreage for the period 1933-1937 should be entered on the line provided for that purpose and the average yield should be computed by dividing the total production by the total acreage and entered in the appropriate column on the same line. The line "Average" should be left blank.

(c) Obtaining data for farms on which cotton will be planted in 1938 but on which cotton was not planted during any of the years 1935, 1936, and 1937. - As provided in section 6 of this Part I, farms on which cotton was not planted during any of the three years 1935, 1936, and 1937, but on which cotton will be planted in 1938, will be classified in Group C-2 in connection with determining 1938 farm cotton acreage allotments.

The line labeled "1928" in Table 1 on the back of the work sheet should be changed to read "1938" and the producer's intended 1938 cotton acreage entered in the appropriate column. The line labeled "Average" should be left blank. The word "Average" in the last two lines should be changed to read "Acreage." The community committee and the county committee, respectively, will enter their recommendations of the 1938 cotton acreage allotment for the farm in the appropriate column on such lines. In recommending a cotton acreage allotment for such farms, the community and county committees shall take into consideration the land, labor, and equipment available for

the production of cotton, crop rotation practices, the soil and other physical facilities affecting the production of cotton, and the cotton acreage allotments to be established for those farms on which cotton was planted in 1935, 1936, or 1937, that are similar with respect to the above factors. The committees should determine and recommend an acreage allotment based upon a percentage of the acreage of cotton which they find the farm is capable of growing in the year for which the allotment is made. The acreage on the farm suitable for cotton growing which is being tilled, or has been tilled in the previous year, will reflect the several factors to be taken into consideration and will form the basic index of the farm's capacity for cotton production.

Sec. 5. Determining the Tilled Acreage for the Farm.-

For all farms for which an Application for Wheat Adjustment Contract for 1936-1939, Form Wheat-201, was executed, the average base wheat acreage shown in Section X, line 67, column (b), of such form should be entered on the back of Form SR-101 in the margin at the bottom of Table 3 directly under the column headed "Acreage." Such acreage should be properly identified by inserting the expression "Average wheat base acreage" at the left under the column headed "Year." For farms for which a Form Wheat-201 was not executed, Table 3 of the work sheet should be changed to read "Wheat" and the first two columns for production and seeded acreage, respectively, should have been executed for the years 1930 to 1937, inclusive. For such farms determine and enter the total acreage and average acreage (dividing the total by the number of years for which data were entered), and enter the community and county committees' adjustment in the spaces provided at the bottom of Table 3.

For farms on which rice was planted in 1937, the rice acreage from line 11, column B), Form SR-108, should be entered on line 7 to the right of column M, Form SR-101.

From the 1937 cropland shown in line 13, column M, of the work sheet deduct the acreage of orchards and vineyards as shown in line 10, column M, entering the difference on line 10 extended in the right margin. The county committee, working with the community committee, will then further reduce the entry in the margin of line 10 by that part of the idle cropland acreage for the farm, as shown in line 12, column M, which is considered to be permanently idle land, that is, land which is not tilled in a regular, established rotation; and also restoration land should be excluded. The tilled acreage, excluding orchards and vineyards, further adjusted downward by the county committee, should be entered in the margin directly below, on line 12 extended.

In the right margin of line 13 extended enter the final tilled acreage adjusted for the farm. The tilled acreage adjusted is determined by subtracting from the sum of (1) any acreage of farm land which was not classed as cropland in connection with the 1937 Agricultural Conservation Program which was tilled in 1937 as shown to the

left of columns (B) and (D) on Form SR-108 plus (2) the acreage entered in the margin on line 12 extended, the following acreages, if any: (1) the tobacco base(s) shown in line 3 (or any other line), column M, Form SR-101; (2) the 1937 planted rice acreage as entered in the right margin on line 7 extended; and (3) the average wheat base acreage, if any, as shown in the margin at the bottom of Table 3 under the column headed "Acreage" or, if such entry has not been made, the adjusted average wheat acreage (county committee) as shown in the last line of Table 3.

Column M will not have been executed for additional 1937 work sheets executed in 1938, in which case the data shown in column K should be used in determining the tilled acreage adjusted for the farm. The county office should use extreme care in determining this acreage. For new farms and for farms which were not operated in 1937 the intended 1938 acreages in column G shall be used to determine the acreage of land tilled annually or in regular rotation, as well as the tilled acreage adjusted for the farm.

Sec. 6. Regrouping of Work Sheets for Determining 1933 Acreage Allotments. - After Table 1 has been executed as outlined above, all 1937 work sheets will be separated into three groups, 1-A, 1-B, and C-2. Group 1-A will represent all work sheets for which the encircled figure shown in column headed "Total" in Table 1 is 5 acres or more. Group 1-B will represent all 1937 work sheets for which the encircled figure in the column headed "Total" is less than 5 acres. Group C-2 will represent all 1937 work sheets executed for farms on which cotton was not planted during any of the three years 1935, 1936, and 1937, but on which the operator has indicated that cotton will be planted in 1938.

Sec. 7. Filling out Form ACP-58. - (a) Tabulation of farms in Group 1-B. - All Group 1-B farms shall be tabulated first. The names of the State and county,^{1/} the group number, and the page number will be entered in the spaces provided. Columns 1, 2, 3, 4, 5, and 6 shall be filled out in accordance with the following instructions:

Column number and heading	Source of information
1. 1938 serial number	Leave blank pending instructions
2. 1937 serial number	Upper right corner of 1937 work sheet, Form SR-101
3. Name of 1937 operator	Upper left corner of work sheet, Form SR-101
4. Name of 1938 operator	Enter as soon as available

^{1/} The word "county" as used herein means county or parish or administrative area, if any.

Column number and heading	Source of information
5. Tilled acreage adjusted	Enter the figure from line 13, in the margin to the right of column N, Form SR-101
6. Farm acreage allotment limited by actual plus diverted acreage	Enter the figure encircled in red in the column headed "Total" in Table 1 on the back of the work sheet, Form SR-101

All other columns shall be left blank on the Group 1-B listing sheet,

The figures in column 6 should be checked to determine that each is less than 5 acres. The total county allotment will be furnished by the State office and should be entered in allotment item 1 at the top of the listing sheet, Form ACP-58. Column 6 shall then be added and the total entered in allotment item 2. Allotment item 3 shall be determined by deducting allotment item 2 from allotment item 1. If allotment item 3 is more than the number of acres determined by multiplying by 5 the number of farms in Group 1-A, the operators of Group 1-B farms may be notified of the amount of the 1938 cotton acreage allotment for their farms, such allotment being the figure entered in column 6. The allotments for Group 1-B farms will be subject to the approval of the State office and must be corrected if found to be in error. If allotment item 3 is less than 5 acres for each farm included in Group 1-A, the operators of farms listed in Group 1-B should not be notified of the amount of their allotment and the county office should proceed with the listing of Group 1-A farms through column 6 and forward to the State office the listing sheets for Groups 1-A and 1-B farms, together with the applicable work sheets, disregarding the procedure for obtaining the factor.

(b) Tabulation of farms in Group 1-A.- After farms in Group 1-B have been tabulated, all Group 1-A farms shall be tabulated. The names of the State and county, the group number, and the page number will be entered in the spaces provided. The lines in some of the columns have been subdivided by a dotted line. In entering the data on Form ACP-58, the county office will use the lower space of each line. Each column will be filled out in accordance with the following instructions, except that if the number of farms in Group 1-A times 5 acres is more than allotment item 3 only the first six columns should be listed:

Column number and heading	Source of information
1. 1938 serial number	: Leave blank pending instructions
2. 1937 serial number	: Upper right corner of 1937 work sheet, : Form SR-101
3. Name of 1937 operator	: Upper left corner of 1937 work sheet, : Form SR-101
4. Name of 1938 operator	: Enter as soon as available
5. Tilled acreage adjusted	: Enter the figure from line 13, in the : margin to the right of column N, : Form SR-101
6. Total cotton acreage (actual plus diverted)	: Enter the figure encircled in red in the : column headed "Total" from Table 1 on : the back of the 1937 work sheet, : Form SR-101
7. Tilled acreage adjusted times factor	: Multiply the factor ^{1/} by the number in : column 5 and enter the result in column 7

(There will be only one figure entered in each line for the next two columns 8b and 9b. For example, if a figure is entered in line 2, column 8b, there will be no figure entered in line 2 for column 9b. The figure entered in column 6 shall be compared with the figure entered in column 7 and one of these figures entered in either column 8b or column 9b in accordance with the instructions for filling out these columns.)

Column number and heading	Source of information
8b. <u>2</u> / Five-acre minimum and limited by actual plus diverted acreage	: Enter in column 8b the figure 5.0 when : the figure in column 7 is less than 5 : acres. If the figure in column 6 is : less than the figure in column 7, enter : in column 8 the figure in column 6. For : example, if the figure in column 6 is 12 : acres and the figure in column 7 is 14 acres, : enter 12 acres in column 8b.

^{1/} The procedure for determining the factor is contained in sub-section (e) of this section.

^{2/} The county office will use columns 8b and 9b, leaving columns 8a and 9a blank.

9b. <u>1/</u> Allotment limited by	:	If the figure in column 7 is smaller
tilled acreage	:	than the figure in column 6, enter
	:	in column 9b the figure from column 7.
	:	For example, if the figure in column
	:	6 is 27 acres and the figure in column
	:	7 is 22 acres, enter in column 9b the
	:	figure 22 acres

Columns 5 through 9 should be added. The number of farms tabulated should be counted and the total entered in column 2.

A county summary should be made of each of the columns 4 through 9. This should be done by entering the totals of every page on a blank Form ACP-58 with the expression "County Summary" written in the space provided for the group designation. The page number should be shown in column 3.

Columns 10 through 20 will be filled out in the State office.

(c) Tabulation of farms in Group C-2.- The county office shall fill out columns 1 through 5 of Form ACP-58 for Group C-2 cotton farms in accordance with the instructions in subsection (b) above for filling out such columns with respect to farms tabulated in Group 1-A.

When columns 1 through 5 of Form ACP-58 have been filled out for all Group C-2 cotton farms in the county, the county office shall transmit the Group C-2 listing sheets, along with all Group C-2 work sheets, to the State office.

(d) Rule of fractions.- Figures entered in column 5 should be shown as whole numbers in all cases. Figures shown in columns 6, 7, 8b, 9b, 10, 11, and 12 should be expressed as whole numbers, except that if any figure is less than 10.0, it should be shown in tenths of an acre. Figures shown in columns 8a and 9a should be expressed as whole numbers, except that if the entry in the corresponding "b" columns is less than 10.0 they should be shown in tenths of an acre. If any State office considers it advisable, figures entered in any or all of the above columns may be expressed in tenths of an acre.

(e) Determining the percentage factor used in computing column 7.- Allotment item 3 shall be divided by the total of column 5 for Group 1-A farms. The decimal fraction resulting shall be carried six (6) places beyond the decimal point. This factor shall then be entered in the heading of column 7 and multiplied by each

1/ The county office will use columns 8b and 9b, leaving columns 8a and 9a blank.

figure in column 5. The resulting figure shall be entered in column 7; the factor shall also be applied to the total of column 5 for each page and the result entered in the box below column 7. The total of column 7 for each page shall be compared with the figure in the box immediately below column 7 for each page. The difference in these two figures should not be more than 3 or 4 acres for each page.

(f) Determination of the amount of reserve to be allotted farms with allotments from 5 to 15 acres.- The Act provides that not more than 3 percent of the county allotment (after certain deductions) shall be allotted to farms in Group 1-A to which an allotment of not more than 15 acres would be made. In order for the county committee to determine the maximum amount of the reserve which may be allotted to these farms, a number of acres equal to five times the number of farms listed in Group 1-A shall be deducted from allotment item 3 and the remainder multiplied by .03. This is allotment item 4 and shall be entered in the space provided on the listing sheet. For example, if the total county acreage allotment (allotment item 1) is 30,000 acres and the total of column 6 for Group 1-B farms (allotment item 2) is 1,000 acres, allotment item 3 would be 29,000 acres. If there are 2,000 farms listed in Group 1-A, the maximum reserve (allotment item 4) would be 570 acres or 3 percent of 19,000. [30,000 minus 1,000 equals 29,000. 29,000 minus (5 times 2,000 equals 10,000) equals 19,000. 19,000 times .03 equals 570.]

In recommending a reserve for all 5 to 15-acre farms the county committee should take into consideration the number of these farms as well as the relationship of the actual plus diverted acres to the allotment based on tilled acres for these farms.

Columns 8b and 9b shall be summarized and the county total for these two columns obtained. If the total of these two columns is in excess of allotment item 3, or less than allotment item 3 minus allotment item 4, the listing sheets must be sent to the State office and a second factor applied before final allotments can be determined. The county committee should recommend a reserve to be allotted by them to farms which would otherwise receive an allotment of 5 to 15 acres. The recommended reserve should not be more than 75 percent of allotment item 4 nor less than 25 percent of allotment item 4, unless a variation is approved by the State office, and should be entered in the space provided for allotment item 5.

However, if allotment item 3 minus the total of columns 8b and 9b does not exceed allotment item 4, and the county committee recommends that the reserve be the difference in allotment item 3 and the total of columns 8b and 9b, it will not be necessary for the State office to apply a second factor. If the State office finds the listing sheet correct, the farm acreage allotments may be approved without further delay. If the county committee finds that such difference is not an equitable reserve for 5 to 15-acre farms, an equitable reserve should be recommended not to exceed 75 percent of allotment item 4 and the

listing sheets forwarded to the State office so that a second factor may be applied. The county committee should enter its recommended reserve in allotment item 5.

After the county committee has made its recommendation regarding the reserve, all Forms ACP-58 for both Groups 1-A and 1-B should be signed by the county committee. Such forms, together with the county office copy of both the 1937 work sheets executed in connection with the 1937 program and the 1937 work sheets executed in 1938, shall be forwarded to the State office for audit and approval and for determining the second factor (if necessary) and the final allotment. Any errors made in columns 5 through 12 or in the determination of the first factor may affect the allotment to all Group 1-A farms in the county. If there are any duplications or omissions the allotments to all Group 1-A farms will be affected; consequently, extreme care should be exercised in obtaining as accurate and complete a tabulation as possible, because any errors will delay the approval of the farm acreage allotments.

(g) County committee adjustment of 5 to 15-acre farms.- After the State office has audited the listing sheet, applied the second factor (if necessary), and approved the farm allotments for farms in excess of 15 acres, the listing sheets will be returned to the county office. The State office will have approved a reserve for the adjustment of 5 to 15-acre farms. The county committee should enter in column 11 that part of the reserve which is to be allotted to each farm for which the entry in column 10 is less than 15 acres. The additional allotments when added to the figures in column 10 shall not increase the allotment to any farm above 15 acres, or above the highest number of acres planted and diverted in any one of the three years 1935, 1936, and 1937.

The total of column 11 should be obtained, and if it is equal to the approved reserve, the county office will enter in column 12 the sum of columns 10 and 11 for 5 to 15-acre farms. Column 12 will then be added and the total must equal allotment item 3. If the county committee finds that the entire amount of the reserve cannot be allotted to the 5 to 15-acre farms on the above basis, and the total of column 11 does not equal the approved reserve, it will be necessary to send the listing sheets back to the State office for the application of a third factor.

Sec. 8. Establishment of Normal Yield of Lint Cotton Per Acre.- In accordance with Section 301 (b) (13) (E) of the Agricultural Adjustment Act of 1938, the normal yield for the farm will be the average yield for the years 1933-1937, inclusive, where reliable records of the actual average yield of lint cotton per acre for all such years are presented by the farmer or are available to the committee. Reliable records are gin tickets and sale receipts for all the years during the five-year period and the measured acreage for at least the last four years of such period. Such records must represent only the cotton

produced on the land in the farm as covered by the 1937 work sheet.

For farms for which the normal yield is established from records of production and measured acreage no adjustments shall be made except for abnormal weather conditions. In making such adjustments downward for such farms, the adjustments must be limited to the percentage, if any, by which the normal yield for the county is below the actual yield for the county during the period 1933-1937. The yields (based on records of production and measured acreage) as adjusted for abnormal weather conditions shall be the final yield for the farm and shall not be further reduced as provided hereinafter for farms for which the normal yield for the farm is appraised by the county committee.

The lines at the bottom of Table 1 providing for adjustments by the community and the county committees shall be filled out only with respect to the yield per acre in the last column. If reliable records of the actual yield of cotton per acre for every year of the period 1933-1937, inclusive, have not been presented by the farmer or are not available to the committee, or if for any year there was no actual yield because cotton was not planted in such year, the normal yield for the farm shall be the yield which, on the basis of all available facts, including the yield customarily secured on the farm, weather conditions, type of soil, drainage, production practices, and general fertility of the land, the county committee determines to be the yield which was or could have been reasonably expected on the farm for such five-year period.

The community committee shall enter its appraisal of the normal yield for the farm in the last column on the line for "Adjusted Average (community committee)". In the same column on the following line the county committee shall enter its appraisal of the normal yield for the farm.

When the county committee has determined the normal yield for every farm for which a Form SR-101 has been executed, all work sheets should be arranged in numerical sequence and a tabulation on columnar paper (hereinafter referred to as Form ACP-58-a) should be made as follows: Show in column 1 the work sheet serial number; show in column 2 the 1938 cotton acreage allotment established for the farm; show in column 3 the yield per acre as entered in the last column on the line for "Adjusted average (county committee)". When the above data have been tabulated for every work sheet for which a 1938 cotton acreage allotment has been established, show in column 4 the production for the farm as determined by multiplying the acreage in column 2 by the yield in column 3 of Form ACP-58-a. Then obtain the county totals of the acreage as shown in column 2 and the production as shown in column 4. Divide the total production by the total acreage to determine the weighted average yield for the farms tabulated. The weighted average yield for the farms tabulated must not exceed the normal yield established for the county. If the weighted average yield does not exceed the normal yield for the county, no further adjustments will be necessary.

If the weighted average yield determined as outlined above, however, exceeds the county yield, the excess must be eliminated by reducing the appraised yields for individual farms as shown in the last column on the line labeled "Adjusted average (county committee)". Adjustments should be made in extra columns of Form ACP-58a. When the weighted average yield for all farms for which a Form SR-101 was executed has been adjusted to conform with the normal yield for the county, the adjusted yield for each farm should be entered on the work sheet in the blank space at the bottom of Table 1 under the column for "yield per acre". When the excess, if any, has been eliminated all work sheets should be returned to the State office for review, and approval, if found to be correct.

B. STATE OFFICE PROCEDURE

Sec. 9. Recheck of County Office Work.- (a) Audit of work sheets and listing sheets.- The State office shall determine that a work sheet has been executed for all farms for which it has a record as having produced cotton during any of the years 1935 through 1937. All of the data entered on all work sheets by the county office, with respect to tilled acreage and the 1935, 1936, and 1937 actual plus diverted acreage, must be checked for accuracy in the State office. The procedure used by the county office for entering such data on the work sheet should be followed by the State office in making this check. Corrections should be made on the work sheets before checking the accuracy of the tabulation on Form ACP-58.

(b) Group 1-B listing sheet.- The space in each line of Form ACP-58 is divided by a dotted line in order that the State office may enter any necessary corrections on the form in the upper part of the space in the applicable line and draw a line through the incorrect entry immediately below.

The State office shall determine that each figure entered in column 6 is less than 5 acres and shall also determine that the total of such column is correct and that allotment item 2 is correct. Allotment item 3 shall then be checked by subtracting allotment item 2 from allotment item 1. Allotment item 4 shall be checked by multiplying by .03 allotment item 3 less an acreage equal to the number of farms in Group 1-A times 5. If allotment item 3 is equal to or greater than the number of farms in Group 1-A times 5 acres, the county office should be notified that the acreage allotments for Group 1-B farms are approved. If any errors are found in the allotment for any farms in Group 1-B, the county office should be notified of the correct allotment for such farms.

(c) Group 1-A listing sheet.- The computation of the first factor shall be verified in accordance with procedure outlined for determining such factor, which is contained in instructions to the county offices.

Figures in column 7 shall be checked by multiplying such factor by the tilled acres adjusted as entered in column 5. The total of column 7 for each page shall be verified and then compared with the

figure in the box below column 7, which is the first factor times the total of column 5 for the page. There should not be more than 3 or 4 acres difference in these two figures. The classification of the indicated allotments as entered in columns 8b and 9b should be checked in accordance with the instructions furnished the county office. The totals of these two columns should be verified.

(d) Group C-2 listing sheet.- When the State office has received the listing sheets, Forms ACP-58, and the Group C-2 work sheets from the county office, the tabulation of data in columns 1 through 5 shall be verified by checking the entry in each such column with the applicable entry on the respective work sheet.

Sec. 10. Procedure For Determining Second Tilled Acreage Factor For Group 1-A Farms. -

(a). Determination of whether or not second factor is necessary. - It will be necessary for the State office to compute and apply a second factor if:

(1) The total of columns 8b and 9b exceeds allotment item 3; or

(2) Allotment item 3 minus the total of columns 8b and 9b is more than allotment item 5. (If the excess is so small that it is not an appreciable amount, the State office should communicate with the county office regarding the change in their recommendation for a reserve so that a second factor would not be necessary; such recommendation cannot exceed allotment item 4.)

(b). Determination of preliminary second factor.-

(1) The total of column 9b shall be divided by the first factor and the result divided into allotment item 3 less the sum of (1) allotment item 5 and (2) the total of column 8b. The resulting decimal fraction should be considered the preliminary factor and should be carried six (6) places beyond the decimal point.

(2) a. On the first page of Form ACP-58 immediately below the word "Group" and to the right of the space provided for the allotment items, lines should be provided for four additional items which are as follows:

Item	Source
Tilled acres for 1-A farms	Total of column 5 for Group 1-A farms
Tilled acres for 1-B farms	Total of column 5 for Group 1-B farms
Total tilled acres	Total of column 5 for Groups 1-A and 1-B farms
County cotton ratio	Allotment item 1 divided by total tilled acres for Groups 1-A and 1-B farms. (Carry the resulting decimal fraction six places beyond the decimal point.)

b. If the county cotton ratio determined under paragraph (2)a, subsection (b) of this section, exceeds the first factor computed in accordance with the provisions contained in section 7, subsection (e), of this Part I, and also is more than 105 percent of the preliminary second factor computed in accordance with paragraph (1) above, except as provided in subparagraph (d) below the county cotton ratio shall be used as the final factor, irrespective of the provisions of subsections (c) and (d) below. When the county cotton ratio is applied to the adjusted tilled acreage as entered in column 5, the resulting product (but not in excess of the figure entered in column 6 and not less than 5) may be entered either in column 10 or in column 13 for any county. A uniform procedure should be followed for each county.

c. If the first factor computed in accordance with the provisions contained in section 7, subsection (e), of this Part I exceeds the county cotton ratio, and also is more than 105 percent of the preliminary second factor computed in accordance with paragraph (1) above, it will not be necessary to apply a second factor and the first factor will be final, except as provided in subparagraph (d) below.

d. (1) For counties to which the provisions of subsection (e) below apply and for those counties in which the larger of (1) the county cotton ratio determined under paragraph (2)a, subsection (b), of this section and (2) the first factor computed in accordance with the provisions contained in section 7, subsection (e), of this Part I, exceeds the preliminary second factor by more than 125 percent:

i. Divide the tilled acreage for Group 1-A farms into allotment item 3 to arrive at a factor which shall be considered the first factor for these purposes.

ii. Multiply the larger of the county cotton ratio or the first factor determined under item (i) above by 80 percent (or such other percentage as is more applicable).

iii. Divide the factor obtained under item (ii) above into 5 acres to determine the tilled acreage for a farm which would be the tilled acreage breaking point for determining whether or not the allotment based on tilled acres would be in excess of 5 acres.

iv. On a blank tabulation sheet enter the serial number and tilled acreage for each farm for which the tilled acreage is in excess of the breaking point. (It is suggested that a separate list include the tilled acreage and serial numbers for farms for which the tilled acreage is 10 percent less than the breaking point in case it is necessary to increase the minimum percentage referred to in the third paragraph above.)

v. Multiply the number of farms listed under item (iv) by 5 acres.

vi. Multiply the tilled acreage under item (iv) by the factor under item (ii).

vii. Subtract the amount obtained under item (v) from the amount obtained under item (vi). For counties in which the county cotton acreage allotments were sufficient to provide for the exemptions under Section 344, subsections (d) (1) (A) and (E), of the Act, subtract from such result the amount by which allotment item 3 exceeds five times the number of Group 1-A farms.

(2) For all other counties to which the provisions of (b) and (c) above apply:

i. Multiply the larger of the first factor or the county cotton ratio by the same percentage used under item (1) ii above.

ii. Multiply the factor obtained under item (2) i by the tilled acreage for farms for which there is an entry in column 9b of Form ACP-58.

iii. From the amount obtained under item (2)ii subtract the amount by which allotment item 3 exceeds the sum of the reserve for 5 to 15-acre farms recommended by the county committee and the total of column 8b of Form ACP-58.

The amounts obtained under items (1)vii and (2)iii should be added and the total for all applicable counties in the State obtained. If this amount is less than the amount obtained under item (3) of subsection (e) of this section, the procedure under paragraphs (2)b or (2)c, whichever is applicable, shall be followed. If this amount does not equal, or is more than, the amount remaining in subsection (e), paragraph (3), vary the percentage used under item (1)ii and item (2)i above until such amount equals the amount remaining in subsection (e), paragraph (3). When this has been accomplished, apply the factors determined under item (1)ii and item (2)i above, whichever is applicable, as the final factor.

The final allotments should be computed for the largest county last, the exact amount of the reserve used in each county should be ascertained by subtracting the county cotton acreage allotment from the final allotments computed for all farms. Before computing final individual allotments for the last county, the amount available should be determined by summarizing the exact amount of the reserve used in each of the other counties and subtracting such sum from that part of the four percent reserve available after meeting the requirements of subsection (e), paragraph (3), and then compared with the estimated amount required to use the factor determined under item (1)i. Such factor should be adjusted to allow for variations in the actual amount allotted under the above procedure and the estimated amount required, provided that the percentage which the final factor used for the last county is of the larger of the first factor or county cotton ratio for such county does not vary more than .04 from the percentage used under item (1)i for other counties. In the event such percentage does vary more than 4 points, it will be necessary to revise the percentages used in items (2)i and (1)i.

(c). Determination of final second factor when the preliminary second factor is larger than the first.

If the preliminary second factor as determined under subsection (b) is larger than the first factor as determined by the county office and checked by the State office, the procedure outlined below shall be used to determine the final second factor.

(1). Determine the percentage which the preliminary second factor is of the first factor.
(Carry out to one place beyond the decimal point.)

(2). The percentage obtained under item (1) should be applied to figures in column 9b.

(3). The amount (if any) by which the figure obtained under item (2) exceeds the figure entered in column 6 should be entered in column 9a.

(4). If the percentage obtained under item (1) is 110 or more, such percentage should be divided into 5 to obtain the acreage breaking point for farms for which the allotment will be at least 5 acres when the second factor is applied.

(5). Multiply each figure in column 7 which is between the figure obtained under item (4) above and 5 acres by the percentage obtained in item (1).

(6). Enter in column 8a the amount by which the figure obtained in item (5) exceeds 5 acres.

(7). From the sum of (1) allotment items 3 and (2) the total of column 9a subtract the sum of (1) allotment item 5, (2) the total of column 8a, and (3) the total of column 8(b).

(8). Divide the amount obtained under item (7) by the tilled acreage used to compute the preliminary second factor. This decimal fraction will be the final second factor and should be carried six (6) places beyond the decimal point.

(d). Determination of the final second factor when:

(1) The preliminary second factor is smaller than the first factor, (2) allotment item 3 is in excess of 5 times the number of group 1-A farms, and (3) the provisions of subsection (b), paragraphs (2)b, (2)c, and (2)d do not apply. -
If the preliminary second factor as determined under subsection (b) is smaller than the greater of (1) the first factor and (2) the county cotton ratio but not less than 95.24 percent of the greater of (1) and (2), the preliminary second factor will be the final second factor.

(c). Determination of the amount of the 4 percent State reserve to be apportioned when allotment item 3 is less than 5 times the number of group 1-A farms. - (1). Add allotment item 2 to 5 times the number of farms tabulated in Group 1-A.

(2). Subtract allotment item 1 from item 1 above.

(3). Subtract the sum of item 2 for all counties in the State from the 4 percent State reserve.

(f). Application of final second factor. - After the final second factor has been determined, it will be entered in the space provided in the heading of column 10. The factor should be multiplied by the figure in column 5 in cases where there is an entry in columns 8a and 9b and the result (but not less than 5 acres) or the figure in column 6, whichever is the

smaller, entered in column 10.^{1/} For any line for which there is no entry in column 10 after the above procedure has been followed, enter in column 10 the figure from column 8b. Column 10 should then be summarized and the total compared with allotment item 3 minus allotment item 5. If there is any difference in these two figures, allotment item 5 must be adjusted or a third factor must be applied. If such difference is less than 10 percent of allotment item 5, item allotment 5 should be adjusted without communicating with the county committee. If such difference is more than 10 percent of allotment item 5, a thorough recheck of all computations should be made. If no errors are found, the county committee should be communicated with relative to the adjustment of the reserve. If the county committee does not recommend the change in the reserve, it will be necessary to apply a third factor in accordance with the procedure for determining a second factor.

After the county office has allotted the reserve for 5 to 15-acre farms, the listing sheets will be returned to the State office for final approval of the farm allotments for such farms.

The county office will have entered that part of the reserve to be allotted to each farm in column 11. The State office should determine that column 11 has been correctly added and that the total of such column equals the reserve. The entries in column 12 must be checked for each farm to determine that the final allotment equals the sum of columns 10 and 11. The addition of column 12 should be checked. The county total of such column must equal allotment item 3.

Sec. 11. Procedure For Determining The 1937 County Cotton Acreage. - It is necessary to obtain the total 1937 planted acreage for all farms on which cotton was produced in each county. Using columnar paper on which counties are listed by crop-reporting districts, show for each county the following data:

^{1/} If the percentage which the final second factor is of the preliminary second factor is 110 or more, it will be necessary to inspect the figures in column 7 below the breaking point, in order that those farms which would receive an allotment in excess of 5 acres when the larger factor is applied will be given the correct allotment.

Column number and heading	Source of information
1. Name of county	
2. The ratio of cotton base acreage to cropland for 1937 participants	Enter the figure from line 15, column H, Form SR-104e. If such line has not been executed and final adjustments have not been determined, enter the percentage derived by dividing line 12, column D, by line 3, column D.
3. Over-statement ratio of 1935 non-signers	Enter the figure derived by dividing the total reported acres by the measured acres (column 6 ÷ column 7) for all farms shown on Form DC 17, excluding 1935 new growers.
4. 1937 measured cotton acres for farms for which measurements are available	Expand item 3 of wire dated January 18 to include the 1937 measured cotton acres for every farm not shown in the January 22 tabulation.
5. 1937 planted cotton acreage for farms for which measurements are not available	Enter the 1937 figure from the column headed "Acreage" from Table 1 of Form SR-101.
6. 1937 cropland for farms for which measurements are not available	Enter the figure from line 1, column K, Form SR-101, for every farm represented in column 5.
7. Ratio of 1937 cotton acreage to cropland (non-measured farms)	Column 5 divided by column 6.
8. Ratio relative of cotton percentages	Column 7 divided by column 2.
9. 1937 non-measured acreage adjusted for over-statement	Column 5 adjusted (in line with indications in columns 3 and 8).
10.	Leave blank pending further instructions.
11. Indicated 1937 acreage	Column 4 plus column 9.
12. 1937 cotton acreage	Enter the figure for the county shown on the tabulation transmitted from the Southern Division.

Column number and heading	Source of information
13. Ratio of indicated 1937 acreage to 1937 cotton acreage	Column 11 divided by column 12, rounded to the nearest tenth of one percent.
14. 1937 acreage difference	Enter the difference between column 11 and column 12 if column 11 is greater than column 12.
15. Additional acreage allotment	Enter the amount derived in prorating the 4 percent reserve remaining after paragraphs (1) and (2) of subsection (g), Section 344 of the Agricultural Adjustment Act of 1938, as amended, are provided for.
16. 1937 acreage difference adjusted	See instructions below.

The figure to be entered in columns 4, 5, and 6 must be secured from the counties. County offices should be instructed, therefore, to obtain a total (which the State office will show in column 4) of the 1937 measured cotton acreage for all farms for which measurements have been made. It is essential that only measured cotton acreage be included in the entry for column 4. This can be determined in most counties by referring to the cropland figure in line 1, column M, of the work sheets executed for participating farms in 1937. Where the letter "E" has been entered the 1937 crop acreages and cropland were not measured. If however, non-measurements in 1937 were not so indicated by the county office, reference should be made to the farm map or the report of performance.

To secure the entries for columns 5 and 6 it will be necessary for the county office to make a tabulation of the 1937 reported cotton acreage and the acreage of cropland for all farms for which 1937 measurements have not been made; such data should be taken from the work sheet as indicated above. In listing such data necessary columns shall be added to the county tabulation sheet to provide for adjustments which may be necessary after the 1937 reported cotton acreage for non-measured farms has been analyzed in the State office. The data in columns 5 and 6 must represent the same farms.

It is very important that the 1937 cotton acreage for every farm on which cotton was planted in 1937 be included in either column 4 or column 5.

In computing column 9 the over-statement ratios as shown in column 3 should be reviewed, especially with respect to the amount

of non-signer acreage on which each ratio was based and also with respect to the relationship between such ratios for adjoining counties. The over-statement ratio for any county will not be used if it is less than 100 percent. Special consideration should also be given to the ratio relative in column 8. If this figure exceeds 100 it is very probable the reported cotton acreage has been over-stated. It may be necessary in some instances to smooth out these ratios and the ratio relatives between counties in order to approximate the facts.

The county committee shall be notified of the adjusted 1937 acreage for farms for which 1937 measurements were not available, and instructed to reduce the reported cotton acreage for such farms in order to eliminate the excess acreage, if any. In eliminating such excess, consideration shall be given any records of actual 1937 acreage available for the farm, gin records, or other information which may indicate the actual acreage. If all the excess is not eliminated by individual farm adjustments, any excess remaining may be eliminated pro rata for all farms for which 1937 measurements were not available. The adjusted reported acreage is to be entered in Table 1 of the work sheet in the column headed "Total", which is a subdivision of the column headed "Year", on the line labeled "1931" which should be changed to read "Adjusted".

When the total 1937 acreage for "non-measurement" farms has been adjusted in line with measurements for 1937 applicants as outlined above, the county committee shall forward the tabulation of such data to the State office for review and approval if found to be correct.

If any acreage is available in the 4-percent State reserve after the requirements of paragraphs (1) and (2), subsection (d), Section 104, Cotton 207 have been met, part or all of such acreage will be allotted in accordance with the following procedure:

(1). Correct the 1937 planted plus diverted acreage for each county for which column 11 of the tabulation provided in this section III is in excess of column 12 by adding the 1937 diverted acres used in computing the original county acreage allotment to column 11.

(2). Multiply item 1 by 60 percent.

(3). Correct the 1933 to 1937 average planted plus diverted acreage for each county for which column 11 is in excess of column 12, using column 11 in lieu of column 12.

(4). Multiply item 3 by the State factor used to determine county allotments under Section 103(a) of Cotton 207.

(5). Obtain the sum of item 2 or item 4 for each county, whichever is the larger.

(6). Add the available reserve to the original county acreage allotment for counties for which column 11 exceeds column 12.

(7). If item 6 exceeds item 5, enter the excess of item 5 over the original county allotment for each county in column 15. This amount will be added to the original county allotment.

(8). If item 5 exceeds item 6, subtract the total of item 6 from the total of item 5 for all counties.

(9). Subtract the original county acreage allotment from the larger of item 2 or item 4 above.

(10). Divide the result obtained under item 9 by the original county acreage allotment.

(11). Multiply the smaller of (1) .05 or (2) the fraction obtained under item 10 by the original county acreage allotment.

(12). If the amount obtained under item 11 does not equal the amount obtained under item 8, vary the fraction .05 used under item 11 until the total of item 11 equals the total of item 8.

(13). Deduct the fraction finally used in item 11 from the fraction obtained under item 10 for each county and multiply the resulting fraction by the original county acreage allotment. This amount should be entered in column 15 for each county and added to the original county acreage allotment.

Sec. 12. Determination of 50 Percent Minimum Acreage Allotment. - After the allotments have been made to a county, including the 4 percent State reserve, the allotment to any farm for which the present allotment is less than 50 percent of the sum of (1) the cotton acreage determined by the county committee to have been planted in 1937 and (2) the acreage diverted in connection with the 1937 Agricultural Conservation Program will be increased to 50 percent of such sum; provided that the increased allotment does not exceed 40 percent of the acreage in the farm which is tilled annually or in regular rotation. In increasing the allotment the State office may follow either of the two procedures outlined below in regard to executing Form ACP-58 in any county in the State.

First procedure: Columns 13, 14, 15, and 16 will be used as follows:

Column number and heading	Source of information
13. Minimum acreage allotment	Enter the smaller of the following: (1) one-half of the acreage shown in column 14 or (2) 40 percent of the acreage tilled annually or in regular rotation as shown on the work sheet in the margin of line 12 extended.
14. Total 1937 planted plus diverted acreage	Enter the total of column 15 plus column 16.
15. 1937 diverted acreage for payment	Enter the 1937 diverted acreage as shown in Table 1 of the work sheet.
16. 1937 measured or adjusted cotton acreage	Enter from Table 1 of the work sheet the 1937 measured cotton acreage or the 1937 reported cotton acreage adjusted, as shown in the line labeled "Adjusted", whichever is applicable. <u>1/</u>

The final allotment will be the figure in column 12 or column 13, whichever is the larger. If the entry in column 13 exceeds the entry in column 12, the entry in column 12 is to be lined out, using a red pencil, leaving the figure legible, and the entry in column 13 should be encircled, again using a red pencil. Totals of entries in all columns should be entered in the line provided for total, and subtotals of the entries lined out or encircled in red, as the case may be, in columns 12 and 13 should be entered below the respective columns in the margin and encircled, again using a red pencil.

Second procedure: Columns 16, 17, 18, 19, and 20 will be used as follows:

Column number and heading	Source of information
14 and 15.	Leave blank pending instructions.
16. Final acreage allotment	Column 11 (readjusted where necessary) plus column 13.

1/ The total of column 16 must not exceed the acreage determined in accordance with section 11 of this Part I to have been planted to cotton in 1937 in each county.

Column number and heading	Source of information
17. Minimum acreage allotment	Enter the smaller of the following: (1) one-half of the acreage shown in column 18, or (2) 40 percent of the acreage tilled annually or in regular rotation, as shown on the work sheet in the margin of line 12 extended.
18. Total 1937 planted plus diverted acreage	Enter the total of column 19 plus column 20.
19. 1937 diverted acreage for payment	Enter the 1937 diverted acreage as shown in Table 1 of the work sheet.
20. 1937 measured or adjusted cotton acreage	Enter from Table 1 of the work sheet the 1937 measured cotton acreage, or the 1937 reported cotton acreage adjusted as shown in the line labeled "Adjusted", whichever is applicable. <u>1/</u>

The final allotment will be the figure in column 16 or column 17, whichever is the larger. If the entry in column 17 exceeds the entry in column 16, the entry in column 16 is to be lined out, using a red pencil, leaving the figure legible, and the entry in column 17 should be encircled, again using a red pencil. Totals of entries in all columns should be entered in the line provided for total, and sub-totals of the entries lined out or encircled in red, as the case may be, in columns 16 and 17 should be entered below the respective columns in the margin and encircled, again using a red pencil.

Sec. 13. Accounting For 4 Percent State Reserve And The Increase In Allotments Resulting From the Application Of The 50 Percent Minimum. - The State office should keep an accurate record of the county totals of the following items:

Column number and heading	Source of information
1. County acreage allotment	Allotment item 1
2. County allotment to 1(A) farms	Column 12 or 16 ^{2/} , whichever is applicable, of Form ACP-58 for 1-A farms

1/ The total of column 20 must not exceed the acreage determined in accordance with section 11 of this Part I to have been planted to cotton in 1937 in each county.

2/ Grand total including figures lined out with a red pencil.

Column number and heading	Source of information
3. County allotment to 1(B) farms	Column 6, Form ACP-58 for 1(B) farms
4. County allotment for both 1(A) and 1(B) farms	Total of columns 2 plus 3
5. Excess acreage allotted over county acreage allotment	Column 4 minus column 1
6. Additional acreage used to adjust county acreage allotment	Column 15, section 11 of this part I
7. Amount of 4 percent reserve allotted	Column 5 plus column 6
8. Acreage required for 50 percent minimum acreage allotment	Subtotal column 13 minus subtotal column 12, or subtotal column 17 minus subtotal column 16, whichever is applicable
9. Total acreage allotted to county	Column 4 plus column 8
10.	Leave blank pending instructions
11.	Leave blank pending instructions
12.	Leave blank pending instructions
13.	Leave blank pending instructions
14.	Leave blank pending instructions
15.	Leave blank pending instructions
16.	Leave blank pending instructions

The above tabulation should be kept in a ledger in which counties are shown by crop-reporting districts. The total of column 7 for all counties in a State must not exceed the 4 percent State reserve.

Sec. 14. Determining Allotments For Group C-2 Farms. - The State office shall fill out columns 6 through 12 of Form ACP-58 for Group C-2 farms in accordance with the following instructions:

Column number and heading	Source of information
6. Acreage allotment recommended by county committee	Enter the 1938 cotton acreage allotment recommended by the county committee as shown in the column headed "Acreage" on the last line of Table 1 of the work sheet.
7. Adjusted tilled acreage times final county factor	The <u>final</u> factor used in determining cotton acreage allotments for Group 1-A farms in the county should be entered in the applicable space at the heading of column 7. Enter in column 7 the result of the figure in column 5 multiplied by such factor.
8. Community committee's recommendation of 1938 acreage allotment	Enter the community committee recommendation for the 1938 cotton acreage allotment from Table 1 of the work sheet.
9. 1938 intended cotton acreage as reported by operator	Enter the operator's intended 1938 acreage as shown in Table 1 of the work sheet.
10.	Leave blank pending further instructions.
11. Indicated 1938 farm acreage allotments of less than 5 acres	If the figure shown in column 6 is less than 5 acres, enter in column 11 such figure, shown in column 6.
12. Indicated farm cotton acreage allotments of 5 acres or more	For farms for which an entry is not made in column 11, enter the figure shown in column 6 or the figure shown in column 7, whichever is smaller, but not less than 5 acres.

Columns 6 through 9 should be executed and summarized by counties for all Group C-2 farms in the State before any data are entered in columns 11 and 12. The State committee should then review the county totals of such columns as well as the data for individual farms. If it is found that the county committee recommendations in any county have not been made on an equitable basis as compared with committee recommendations in other counties, such committee should be instructed to review its recommendations of acreage allotments for Group C-2 farms in that county. Generally, the committee's recommendations will need to be revised downward; however, in a few instances the committee's recommendations may need to be revised upward.

In counties where revisions are made in the committee's recommendations, the revised recommendations should be entered on the work sheet in ink, directly above the original recommendations, which should be stricken out but left legible. The revised recommendation must be initialed by one member of the county committee. When the work sheets are returned to the State office, the revised committee recommendations should be entered on the top part of the applicable lines on Form ACP-58, and the figure for the lower part of the line should be stricken out. The recommended acreage allotments as revised should then be summarized and reviewed to determine whether or not they are on a comparable basis with the acreage allotments recommended by committees for Group C-2 farms in other counties.

When the data with respect to all Group C-2 farms in the county have been tabulated on Form ACP-58, columns 5, 6, 7, 8, 9, 11, and 12 shall be summarized by pages. A county summary shall then be prepared on a separate Form ACP-58, showing the number of work sheets listed on each page, the number of work sheets for which a figure was entered in column 11 and the number of work sheets for which a figure was entered in column 12, as well as the page totals for columns 5 through 12, inclusive. The totals of Group C-2 farms for the above columns will then be ascertained for all such farms in the county. As the county summaries of Group C-2 farms are completed, county totals shall be entered on a State summary showing the counties by crop-reporting districts.

When the State summary has been completed, the total of column 11 shall be added to the total of column 12 and the resulting sum compared with the State reserve for new growers, Group C-2 cotton farms. If such sum is less than the State reserve for Group C-2 cotton farms, Forms ACP-58 for such farms may be returned to the respective counties and the operators listed on such Forms ACP-58 may be notified of their 1938 cotton acreage allotments as shown in column 11 or column 12, whichever is applicable.

If the sum of column 11 plus column 12 for the State, however, exceeds the State reserve for Group C-2 cotton farms, it will be necessary to adjust the acreages shown in column 12 (and in column 11, if necessary) to eliminate the excess. Such adjustment will be made as follows:

On the State summary of Forms ACP-58 for Group C-2 cotton farms enter as allotment item 1 the State reserve for 1938 new growers. As allotment item 2 enter the State total of column 11. As allotment item 3 enter the difference between item 1 minus item 2. As allotment item 4 enter the acreage derived by multiplying the number of farms for which a figure is shown in column 12 by 5 acres. As allotment item 5 enter the difference between item 3 minus item 4. In the space to the right of item 1 enter the State total of columns 11 plus 12; and to the right of item 3 enter the difference between such total and the figure in item 2.

If allotment item 4 above is greater than allotment item 3, the sum of allotment item 2 plus allotment item 4 should be divided into allotment item 1 (State reserve for Group C-2 farms). The resulting ratio should be carried to four places beyond the decimal point and entered at the top of the listing sheet under the word "Group", as the "State Group C-2 Ratio." Such ratio should then be multiplied by the figures in column 11, or if there is not an entry in column 11, such ratio should be multiplied by 5 acres for all other Group C-2 farms and the resulting products entered in column 13 on the respective lines. The figures in column 13 should then be summarized. The total of column 13 should not exceed the State reserve for new growers as shown in allotment item 1. If such is the case, the figures in column 13 will be the final acreage allotment for Group C-2 farms.

If the figure in allotment item 4 is less than the figure in allotment item 3, divide 95 percent of the figure in item 3 by the figure to the right of such item and enter the resulting ratio, carried to four places beyond the decimal point, at the top of the listing sheet under the word "Group" as the "first ratio for column 12." Then divide the first ratio into 5 to determine the first acreage breaking point for such ratio. The first acreage breaking point should be entered to the right of the first ratio. For each figure in column 12 which is the same as, or less than, the first acreage breaking point, enter the figure five on the corresponding line in column 13, at the same time encircling the corresponding figure in column 12. Summarize the encircled figures in column 12 and multiply such total by the first ratio; then deduct the resulting product from an acreage derived by multiplying the number of such encircled figures times five acres; the resulting difference should then be deducted from 95 percent of allotment item 3. Such adjustment of item 3 should then be divided by the original total of column 12 (which is shown to the right of item 3) to determine the "second ratio for column 12", which will be smaller than the first ratio.

If the second ratio is more than 95 percent of the first ratio, the first ratio should be applied to the entries in column 12 which are not encircled. The resulting products should be entered in column 13. Column 13 should then be summarized. The total of column 13 must not exceed the figure entered as allotment item 3. If such is the case, the figures in column 13 shall be the final allotments for those Group C-2 farms.

If the second ratio, however, is less than 95 percent of the first ratio, determine the second acreage breaking point. For the entries in column 12 that have not already been encircled which are the same as, or less than, the second acreage breaking point enter the figure 5 in the

corresponding line in column 13 and encircle the corresponding figure in column 12. Then compute the "third ratio for column 12" in the same manner as the second ratio was computed.

If the third ratio is more than 95 percent of the second ratio, the second ratio should be applied to the entries in column 12 which are not encircled, entering the resulting products in column 13. The total of column 13 should then be ascertained and if found to be not greater than the figure entered in allotment item 3 the entries in column 13 will be the final acreage allotment for those Group C-2 farms.

If it is necessary to adjust the acreage allotment as entered in column 12 to eliminate any excess of the State total of columns 11 plus 12 over the State reserve for Group C-2 farms, it is not anticipated that more than three adjustment ratios will be required. If more ratios are required, however, they should be computed in the same manner as the second and third ratios as outlined above until the last ratio is more than 95 percent of the preceding ratio.

When it has been determined that the total of the adjusted acreage allotments, as entered in column 13, does not exceed allotment item 3, farm operators may be notified of their acreage allotments as shown in column 11 or 13.

Sec. 15. Approval of Normal Yields and Establishment of Minimum Farm Marketing Quotas.— When the Form ACP-58a has been received from the county office, the State office should check the entries in column 2 against the acreage allotment established for the farm and column 3 against the county committee's recommendation of the normal yield as entered in Table 1 on the back of the work sheet. If adjustments in the yield have been made in other columns on Form ACP-58a, such yield as finally adjusted should be checked instead of the preliminary recommendation. The normal production of the acreage allotment should be checked by multiplying the normal yield for each farm by the acreage allotment for the farm. Corrections, if necessary, should be made by drawing a line through the incorrect entry and writing the correct figure immediately above, using a red pencil. The total acreage allotment and the normal production of the acreage allotment for each county should be verified.

In cases where there is a difference in the yield as entered on the work sheet and the yield as entered on Form ACP-58, careful consideration should be given as to which may be correct. The correct normal yield for the farm will probably be the yield which more nearly conforms to the average yield for the farm. If there is any doubt as to which figure is correct, the county office should be contacted.

The weighted average normal yield for all farms in the county must not exceed the normal yield established for the county. When the yields and minimum farm marketing quotas have been approved, the

county office should be notified in order that producers may be notified.

C. MISCELLANEOUS PROVISIONS

Sec. 16. Procedure for Establishing Administrative Areas.-- Working with representatives of the Extension Service and others who are familiar with local conditions, the counties should be determined in which it is believed that administrative areas may be necessary. For any of such counties for which Forms SR-108 or SR-113 are available in the State office, the following tabulation should be made by communities as indicated by the letter A, B, etc., shown in the reference to a Bankhead application in Section III of the work sheet:

- (1) 1937 work sheet serial number.
- (2) Leave sufficient space for entering operator's name later, if necessary.
- (3) 1937 measured cropland.
- (4) 1937 cotton base acreage.
- (5) Leave sufficient space for entering the ratio of 1937 cotton base acreage to 1937 cropland (column 4 divided by column 3), to be computed later, if necessary.

If it is believed that the communities used in connection with the Bankhead Act in 1935 do not divide the county into different areas with respect to soil types and type of farming, then the county office should be instructed to segregate the 1937 work sheets into areas which are not similar with respect to soil types and type of farming. The county office should also be instructed to tabulate the data outlined above, except that columns 2 and 5 need not be executed at this time. It is estimated that these data can be secured and listed by two persons in two days for an average county.

When the above tabulation has been completed the State office should compute the weighted average ratio of the 1937 cotton base acreage to the 1937 cropland for each community or area as the case may be.

The ratio of the 1938 cotton acreage allotment to the 1937 tilled acreage, excluding wheat, rice, and tobacco for market, should be estimated for the county. The tilled acreage to be used in determining such factor will not be difficult to estimate in strictly cotton counties. In such counties, the final 1937 measured cropland should be reduced by the acreage of cropland on work sheets classified in Group T (less the acreage of cropland on Group T work sheets for which cotton was shown for 1935 or 1936). The resulting figure should be the cropland for farms for which a work sheet was executed

in 1937 and for which a cotton acreage allotment will be established for 1938. Such cropland figure should be raised to 100 percent for the county based on the ratio of measured cropland for all 1937 work sheets to the cropland for the county as reported by the 1929 or 1934 Census, whichever is the greater.

The estimated cropland on cotton farms raised to 100 percent for the county should then be compared with the cropland reported on Forms DC-16 and DC-17, as shown in line 4, column D, of Form SR-104e. If there is considerable variation between these two figures, a cropland acreage figure for all cotton farms in the county should be adopted. In adopting such acreage, consideration should be given to the ratio of cropland on work sheets to the cropland on Forms DC-16 and DC-17 from the identical sample made in connection with the 1937 analysis as shown by the ratio in line 6 (c), column D, of Form SR-104e and, also, the ratio of final 1937 measured cropland in line 4, column D, to the preliminary 1937 cropland in line 3, column D, Form SR-104e.

For other than strictly "cotton" counties the estimated normal acreage of wheat, rice, or tobacco, produced for market, and the acreage of orchards and vineyards, if any, should be excluded from the cropland in estimating the factor of the 1938 cotton acreage allotment to the tilled acreage adjusted for the county.

When the estimated factor has been determined, it should be compared with the weighted average ratio of the 1937 cotton base acreage to the 1937 cropland for each community or area in the county. This comparison should reveal the communities or areas which are in considerable variance from the cotton acreage allotment factor for the county. It may be found that the ratio of cotton base to cropland for some communities will be materially higher than the estimated cotton acreage allotment factor; in which case a considerable reduction would be indicated in the 1938 cotton acreage allotment from the 1937 cotton base acreage for farms in such communities or areas. In the same county, it may be found that the ratio of cotton base to cropland for other communities or areas may be about the same, or only slightly in excess of the cotton acreage allotment factor for the county; in which case only a slight reduction, if any, in the 1938 cotton acreage allotment from the 1937 base would be indicated for farms in such communities or areas. After examining these data very carefully, the county will be put into one of the following groups: (1) those in which administrative areas are not necessary, (2) those in which administrative areas are necessary, and (3) those in which it is further questionable that administrative areas are necessary for the county.

If it is determined that administrative areas are necessary for the county, a soils map and a plat ownership map, if available, for the county should be obtained. The names of all operators for which a 1937 work sheet was executed should be entered in column 2, and column 5 should be computed for each farm shown on the tabulation referred to above; and with the aid of the county agent, county

committeemen, or others, as are necessary, the boundary line of each administrative area should be outlined on a map of the county.

When the boundary lines of the administrative areas have been determined, the county office should make a separate tabulation for each area showing the serial number of every 1937 work sheet, the sum of the 1937 planted plus diverted acreage for each farm participating in the 1937 program and the 1937 planted acreage, adjusted if necessary, for each farm that did not participate in the 1937 program. This information is to be secured from Table 1 of the work sheet. These data should then be summarized for each area and for the county; and the acreage for each area divided by the total of such acreage for the county will be the percentage to be used in apportioning the 1938 county cotton acreage allotment to each administrative area in the county. If it is determined that the 1937 planted plus diverted acreage for 1937 participants and the planted acreage for non-participants is not an equitable basis for apportioning the 1937 county cotton acreage allotment, the Southern Division of the Agricultural Adjustment Administration should be asked for further instructions.

For counties for which it is further questionable that administrative areas are necessary, an additional study should be made. Such study may be as follows provided that Forms SR-110 have been computed for approximately 75 percent of the farms participating in the 1937 program in the county.

Forms SR-104, for Groups N, O, R, and S, should be separated from the listing sheets for the county and an attachment clipped on each sheet after column 24. The attachment can be made from a small strip cut from blank Forms SR-104. Each strip should be wide enough to provide for four (4) columns for data with at least four (4) figures for each column. The columns on such attachment sheets should be numbered 25a, 26a, 27a, and 28a.

The Forms SR-110a, along with all work sheets for farms classified in Groups N, O, R, and S, should be separated from the county files in the State office. Such work sheets and Forms SR-110a should be arranged in numerical sequence according to the order in which work sheets were tabulated in Groups N, O, R, and S. Any work sheet for which a Form SR-110a is not available or any 110a which represents data on two or more work sheets should be omitted from the group for which additional data will be tabulated. After the work sheets and Forms SR-110a are arranged in numerical sequence according to the pages of the listing sheet on which the data for such work sheets were tabulated, the planted acreage plus the diverted acreage for 1937, as shown on lines 4 and 6, respectively, of column D of Form SR-110a, should be tabulated in column 25a of the attachment clipped to each page of the listing sheet for Groups N, O, R, and S. The estimated acreage allotment factor determined for the county should then be multiplied by the measured cropland acreage as shown in column 6 for each line for which an entry was made in column 25a of the attachment sheet. The product should be entered in column

26a. In column 27a enter the smaller of the two figures shown in columns 25a and 26a. In column 28a show the percentage which the figure in column 27a is of the cotton base acreage for the farm as shown in column 24. Such percentage should be rounded to the nearest whole percentage.

When the above tabulation is made for work sheets represented in Groups N, O, R, and S, a frequency distribution should be made associating the size of each base acreage shown in column 24 with the percentage for the respective work sheet shown in column 28a. The frequency tabulation should be set up showing class intervals of base acreages down the left-hand side of a tabulation sheet, and the class intervals of percentages across the top of the tabulation sheet. It is likely that a class interval of five percent, in the series of percentages which the indicated 1938 allotment for farms is of the 1937 base for the respective farms, will be satisfactory for all counties except that in some cases, where the estimated factor for the county is unusually small, it may be desirable to extend the five percent interval of classes below 35 percent.

When the frequency table is set up a count should be made of the data in column 24 and column 28a. This may be done by one clerk reading down the page calling the base acreage shown in column 24 and the respective percentage shown in column 28a for each work sheet while another clerk finds the class in which such base acreage falls in the horizontal axis of the frequency table and enters a small mark opposite such base acreage in the column under the class in which the percentage falls in the vertical axis. For farms for which the 1937 base acreage is 200 acres or more, the base should be tabulated at the bottom of the frequency table directly below the class in which the percentage in column 28a falls to aid in summarizing such data, as will be seen later. These counts should be made in blocks of five to aid in summarizing the frequency table.

When all work sheets for which entries are shown in column 28a have been entered in the frequency table, such table should be summarized according to each class on the vertical axis and on the horizontal axis of the frequency table. That is, the number of counts entered in each class of base acreages across the frequency table will be entered in a column headed "Total" on the right of the sheet, and the number for each class of percentages will be entered at the bottom of the frequency table directly under such class on a line labeled "Total". The number of items summarized across the bottom and down the right-hand side are the same. Such total should be entered on the "Total" line at the bottom of the column headed "Total" on the right of the frequency table. The number of items by classes across the bottom and down the right-hand side should be divided by the total number of items shown at the bottom on the right-hand side of the frequency table to determine the percentage distribution of the total number of work sheets included in the N, O, R, and S sample.

In the left-hand margin of the frequency table the mid-point of each class interval of base acreages should be entered opposite each class. For instance, the mid-point of the class from 50 to 59.9 is 55 acres. The mid-point of each class, except the class interval of base acreage from 200 up, should be multiplied by the number of items in such class for each column of percentages shown at the top of the frequency table. The base acreage in the class interval from 200 up can be summarized from the base acreages tabulated for each class of percentages. Such estimated base acreages for each class can be accumulated on a calculating machine and the total entered at the bottom of each group of percentages. When the base acreage is estimated for each class of percentages, a summary should be made and the total entered at the bottom on the right-hand side under the total number of work sheets included in the frequency table. The total base acreage, for each class of percentages, shown across the bottom of the frequency table should be divided by the total of all base acreages estimated for the frequency table as shown at the bottom on the right side. The total of such percentages should add to 100 percent.

The above data should be charted on graph paper, as an aid in determining whether or not administrative areas are necessary for the county. On the vertical axis is shown the percentage reduction from the 1937 base acreage which is determined by subtracting the mid-point of each class interval of percentages shown across the top of the frequency table from 100 percent. On the horizontal axis is shown the percentage of operators included in the sample of data from Groups M, O, R, and S. The percentages shown at the top of each bar show the percentage of the base acreage represented by the operators classed in each group of percentages shown across the top of the frequency table. The percentage of the base acreage represented by the operators in each class of percentages shown across the top of the frequency table will be taken from the fourth line of figures across the bottom of the frequency table.

When these data have been charted, it will be rather easy to observe the variation in the percentage reduction in the indicated 1938 cotton acreage allotment from the 1937 base acreage, as well as the percentage of operators and the percentage of base acreage affected. Counties in each State in which similar conditions appear to exist as indicated by a similar study should proceed with determining boundary lines of administrative areas on county maps as outlined above for those counties in which it is definitely apparent that administrative areas are necessary.

Sec. 17. Apportioning Among Farms Any Unused Cotton Acreage.- Before computing the allotments for farms in accordance with this subsection, it will be necessary to have a report from each county relative to the release of any unused cotton acreage allotted to farms in each such county. When the tabulations have been received from the county office, the 1938 cotton acreage allotment for each farm for which the allotment is to be decreased should be verified.

If found to be in error, a line should be drawn through the incorrect entry and the correct allotment entered immediately above, using a red pencil. Since measurements have not been made of the actual acreage of cotton for 1938 it will be necessary to use the estimate of the operator as a basis for determining the 1938 planted cotton acreage. To allow for a reasonable amount of error in judgment on the part of the operator in stating his acreage, the acreage to be considered as the estimated planted acreage for the purpose of this subsection shall be 25 percent in excess of the acreage as reported by the operator. The amount of acreage to be released should be compared with the excess of the present allotment for the farm over the estimated acreage planted on the farm in 1938. If the amount of the allotment which the farmer indicated was to be released is larger than such excess, the State office may wish to refer such cases to the county office for review.

If the total acreage released in a State is sufficient to provide a minimum farm ratio of 55 or more for all eligible farms in the State, the total acreage released shall be apportioned in accordance with the instructions contained below. If the total acreage released in a State is not sufficient to provide for a ratio of 55, an acreage shall be available in each county equal to the smallest of (1) an amount necessary to provide a farm ratio of 55 for such county, (2) 200 acres or 1 percent of the total acreage allotted to such county, whichever is the larger, or (3) the acreage released in such county; and the remainder of such acreage released in a State shall be made available for use in correcting errors and for allotments to farms not included in the original computations, so as to give equal treatment to both types of cases. However, if the unused acreage available for distribution is insufficient to permit a practical apportionment (that is, is insufficient to provide a minimum farm ratio of 52.5) or if an apportionment cannot be made among farms prior to the date on which the planting of cotton has been completed on most of the cotton farms in the State, the entire acreage in the State may be similarly used for correcting errors and for allotments to farms not included in the original computations. If the acreage available is not sufficient for all such corrections in the State, there shall first be made available in each county an acreage equal to the smaller of (2) or (3) above, which shall be used pro rata in the county in making such corrections, and any remainder shall be used on a State-wide basis in making similar corrections so that the corrections made give uniform treatment in all cotton-producing counties in the State by bringing the allotments for all farms for which such corrections are made up to the same percentage of the correct farm acreage allotment for the farm.

There are two procedures outlined below for making the apportionments. Each State office should select one of these to follow. Whichever procedure is adopted shall be used for all cotton-producing counties in a State. Either procedure is applicable for use in making apportionments for all eligible farms in a county or in a State. The apportionment to any eligible farm may be withheld upon the execution of a written statement by the operator of such farm that such additional apportionment is not desired for the year 1938.

(a) Procedure number 1.- In order to determine the farms for which cotton acreage allotments should be adjusted upward, the State office should compute the ratio of the final cotton acreage allotment to the 1937 planted plus diverted acreage for each farm for which a diverted acreage figure is shown in column 15 or column 19 of Form ACP-58, and for which no part of the cotton acreage allotment has been released. Such ratio shall be hereinafter referred to as the "farm ratio". In some counties the final cotton acreage allotment is entered in column 12 of Form ACP-58 while in other counties such figure is entered in column 16, except where the allotment was increased pursuant to Section 344, subsection (h), of the Act, in which case the final acreage allotment is the encircled figure in column 13 or 17. The 1937 planted plus diverted acreage is entered in column 14 for counties for which the final allotments are shown in column 12 and is entered in column 18 for counties for which the final acreage allotments are shown in column 16. The farm ratio of final acreage allotment to the 1937 planted plus diverted acreage should be rounded to the nearest thousandth and entered on the applicable line for the respective farm in the right margin of Form ACP-58.

In counties in which the final factor is 40 percent or more and in which relatively little wheat, rice, tobacco, or sugarcane for sugar acreage was deducted from the tilled acreage in determining cotton allotments, farm ratios should be computed only for farms for which the cotton acreage allotment is less than 40 percent of the tilled acreage as shown on the work sheet in line 12 extended. There will be a relatively small number of farms eligible to receive an increase in allotments in such counties.

All farms previously receiving an increase in allotment under Section 344(h) of the Act, except those limited by 40 percent of the tilled acreage in the farm, should be considered as having a farm ratio of .500. Ratios for farms receiving allotments under Section 344(h) need not be computed. To identify those farms limited by 40 percent of the tilled acreage, it will only be necessary to determine that the encircled final allotment is more than five-tenths of an acre less than one-half of the 1937 planted plus diverted acreage rounded for the farm and then for all other such farms enter .500 in the right margin of Form ACP-58.

(1) Determining the weighted average ratio for farms with farm ratios less than .700 but not less than .500.- On columnar tabulating paper set up columns showing a range of ratios, using a class interval of .020. The ratio range should extend from .500 to .700. For example, the ratio range will be as follows:

Column 1	- .500 through .519
2	- .520 through .539
3	- .540 through .559
4	- .560 through .579
5	- .580 through .599
6	- .600 through .619
7	- .620 through .639
8	- .640 through .659
9	- .660 through .679
10	- .680 through .699

The final cotton acreage allotment as shown in column 12, 13, 16, or 17, whichever is applicable, shall be tabulated in the applicable column above as indicated by the farm ratio which is shown in the right margin of Form ACP-58; that is, the allotments to all farms with ratios from .500 to .519, inclusive, shall be tabulated in column 1. When the allotments for all farms for which the ratio is less than .700 but not less than .500 have been tabulated, a summary should be made by classes.

By dividing the total 1938 allotment represented in each class by the mid-point of the class, the 1937 planted plus diverted acreage can be estimated for all farms included in such class; however, such estimate for farms included in the first class (.500 - .519) should be determined by dividing the sum of the allotments for that class by .503. The weighted average ratio for the farms tabulated should be determined by dividing the total 1938 allotments for farms tabulated by the estimated planted plus diverted acreage for such farms.

(2) Determining the final minimum ratio of allotments to the 1937 planted plus diverted acreage.- The final minimum farm ratio, of course, will depend on the amount of unused cotton acreage and the data tabulated and estimated as outlined above for the farms represented in the tabulation. The final minimum ratio can be determined mathematically in one or more approximations or through trial and error by a careful inspection of the data. In either case, a summary of the data by classes should be made as follows: On line 1 of a summary sheet show the column headings and midpoints of the classes, except for the first class, for which .503 will be used. On line 2 show the total 1938 allotment for each class. On line 3 show the cumulative total of allotment by classes. Leave line 4 blank. On line 5 show the estimated 1937 planted plus diverted acreage by classes. On line 6 show the cumulative totals of 1937 planted plus diverted acreage by classes. Leave line 7 blank.

a. Trial and error method.- In determining the minimum farm ratio by the trial and error method, multiply the cumulative total 1937 planted plus diverted acreage for the class in which the

weighted average ratio falls by the midpoint of that class. Then deduct from the resulting product the cumulative total of allotments for that class, as shown in line 2, and compare the difference with the unused acreage. If the difference computed above is less than 100 percent or more than 102 percent of the unused acreage, the same computation should be made for the next succeeding or next preceding class, respectively, of the ratio range. This should be done until the product of the cumulative total 1937 planted plus diverted acreage for a class, multiplied by the midpoint or some other value for that class, is in excess of the cumulative allotment for that class plus the unused acreage but not more than 102 percent of the unused acreage in excess of such amount. In most instances it will be necessary to adopt a minimum farm ratio other than the midpoint of a particular class. This can be determined by a careful examination of the data, interpolating to any point between the upper and lower limit of the class. For example, if a ratio of .588 is desired, 40 percent $(.588 - .580 = .008 \div .20)$ of the 1938 allotment and 40 percent of the 1937 planted plus diverted acreage for the class .580 through .599 would be added to the cumulative total of the respective data for the next preceding class, or .560 through .79.

b. Mathematical procedure.— The minimum farm ratio can be determined mathematically as follows: Multiply the unused acreage by the square of the difference between the weighted average ratio for the farms tabulated and the lower limit of the ratio range, which is .500; divided the resulting figure by the acreage difference determined by multiplying the weighted average ratio by the cumulative total 1937 planted plus diverted acreage for all farms for which the ratio is below the weighted average ratio, and deduct from the resulting product the 1938 allotment for such farms; then extract the square root of the resulting quotient and add it to .500, the lower limit of the ratio range. The resulting ratio will be the weighted average ratio adjusted and should then be tested by multiplying it by the cumulative 1937 planted plus diverted acreage for farms for which the farm ratio is less than the weighted average ratio adjusted as outlined above. The 1937 planted plus diverted acreage for farms for which the farm ratio is less than the weighted average ratio adjusted can be estimated by adding

the acreage, estimated for the class in which the weighted average ratio adjusted falls, which is between the lower limit of such class and the weighted average ratio adjusted to the cumulative total 1937 planted plus diverted acreage for the preceding class. For example, if the weighted average ratio adjusted is .588, forty percent ($.588 - .580$ equals $.008 \div .020$ equals 40 percent) of the 1937 planted plus diverted acreage for the class .580 through .599 should be added to the cumulative total of the 1937 planted plus diverted acreage for the class .560 through .579. The weighted average ratio adjusted when multiplied by the estimated 1937 planted plus diverted acreage for farms for which the farm ratio is less than such weighted average ratio adjusted should result in an acreage approximating the 1938 acreage allotments for such farms (determined in the same manner as the 1937 planted plus diverted acreage was determined for the same farms as outlined above) plus the unused acreage. The above product should exceed the 1938 allotment to such farms, but should not exceed such figure by more than 102 percent of the unused acreage. If the excess is more than 102 percent, a second approximation should be made in the same manner as the first approximation, using the weighted average ratio as adjusted above in the formula rather than the weighted average ratio for all farms tabulated and using the acreage difference based on the weighted average ratio adjusted (times the estimated 1937 planted plus diverted acreage) for farms for which the farm ratio is less than the weighted average ratio adjusted, rather than the acreage difference based on the original weighted average ratio.

In no case will the farm ratio be increased to more than .667 irrespective of the amount of the unused acreage. If the amount of unused acreage available for apportionment in a county is in excess of the amount required to establish a farm ratio of .667, such excess shall revert to the State for distribution irrespective of the amount of the acreage ear-marked for the county.

(3) Test for effect of recaptured acreage.- The variation of 100 to 102 percent in the difference between the product of the minimum ratio, adopted as outlined above, multiplied by the planted plus diverted acreage for farms for which the farm ratio is less than such ratio minus the 1938 acreage allotment and the unused acreage for the same farms is suggested because of the fact that in applying the

minimum farm ratio a figure for some farms would result which would be in excess of 40 percent of the tilled acreage for the farm, whereas under the law the farm allotment must not exceed the 40-percent-of-tilled-acreage limit.

Before the minimum farm ratio is applied, Forms ACP-58 should be examined to estimate the acreage that will be recaptured because of the 40-percent-of-tilled-acreage limit, if such ratio were applied to all eligible farms. This can be done by applying the minimum farm ratio, which has been adopted, to the 1937 planted plus diverted acreage for every tenth farm which is eligible to receive an increase in the farm allotment from the unused acreage. In applying the minimum farm ratio for such sample farms, the difference between the new final acreage allotment and the previous final allotment should be tabulated in column 1 on a supplementary tabulation sheet. For each such farm the revised final acreage allotment should be compared with 40 percent of the tilled acreage for the farm, and if such revised final acreage allotment is in excess of 40 percent of the tilled land in the farm this difference should be tabulated in column 2 on the same line with the difference between the revised acreage allotment and the previous final acreage allotment. For this purpose it is suggested that the tilled acreage adjusted, as shown in column 5 of Form ACP-58, be used and counties in which the final factor used in making previous final allotments is more than 40 percent, and in which there was very little acreage of wheat, tobacco, rice, or sugarcane for sugar deducted from the tilled acreage, be omitted from consideration in the sample.

When the computations have been made for the above sample, the data for the two columns tabulated should be summarized and the acreage in the first column expressed as a percentage of the acreage in the first column minus 85 percent (safety factor) of the acreage in the second column. The resulting quotient should be expressed as a percentage and multiplied by the unused acreage. The resulting figure will be the estimated acreage that should be allotted based on the minimum farm ratio, tested as outlined above, in order to allot effectively an acreage equal to the unused acreage. These data should then be examined to determine whether or not the 100 to 102 percent variation mentioned above was sufficient or excessive and also to determine if the minimum farm ratio, as tested above, should be increased or reduced in order to allot effectively the unused acreage.

(4) Determining new final cotton acreage allotments.- When the minimum farm ratio has been determined, such ratio should be applied to the planted plus diverted acreage for the farms for which the farm ratio is less than the minimum ratio but not less than .500. The resulting products will be

the new indicated final acreage allotments for such farms and should be entered in column 17 for farms in counties in which the previous final allotment is shown in column 12, or in column 15 for counties in which the previous final allotment is shown in column 16.

When the new indicated final allotments have been determined for all eligible farms, as outlined above, such figure for each farm should be compared with 40 percent of the tilled acreage in the farm as shown in line 12 of the respective Form SR-101. If the new indicated final allotment exceeds 40 percent of the tilled acreage in the farm, a line should be drawn through such figure and 40 percent of the tilled acreage in the farm should be entered in the same space directly above such figure. The total of the new final acreage allotments for all farms receiving an increase from the unused acreage should be ascertained. It will be necessary to ascertain the total previous final allotments to farms for which a new final acreage allotment has been entered in column 15 or column 17. The total revised acreage allotments for farms receiving an increase from the unused acreage cannot exceed the previous final allotments for such farms by more than the amount of the unused acreage so added to their allotments. On the other hand, the total of the new final acreage allotments, as revised for such farms, should not be materially less than the previous final allotments to such farms plus the amount of the unused acreage so added to their allotments.

When the computations as outlined above have been made, the data should be carefully reviewed. Revised acreage allotments may be released to farms when approved by an authorized representative of the Southern Division.

(b) Procedure number 2.- To minimize the use of calculating machines, a computing chart should be prepared indicating the increase in farm acreage allotments required to provide minimum farm ratios of varying percentages of the 1937 planted and diverted acreage. The chart, which is in terms of 50 percent of the 1937 planted and diverted acreage, should be as follows:

One-half of 1937 plant- ed and di- verted acre- age	Percent of one-half of 1937 planted and diverted acreage								
	102	103	104	105	106	107	108	109	110
10	10	10	10	10	11	11	11	11	11
11	11	11	11	12	12	12	12	12	12
12	12	12	12	13	13	13	13	13	13
13	13	13	14	14	14	14	14	14	14
14	14	14	15	15	15	15	15	15	15
15	15	15	16	16	16	16	16	16	16
16	16	16	17	17	17	17	17	17	18
17	17	17	18	18	18	18	18	18	19
18	18	18	19	19	19	19	19	20	20
19	19	19	20	20	20	20	20	21	21
20	20	21	21	21	21	21	22	22	22
21	21	22	22	22	22	22	23	23	23
22	22	23	23	23	23	23	24	24	24
23	23	24	24	24	24	25	25	25	25
24	24	25	25	25	25	26	26	26	26
25	25	26	26	26	26	27	27	27	27
26	26	27	27	27	27	28	28	28	29
27	27	28	28	28	29	29	29	29	30
28	28	29	29	29	30	30	30	30	31
29	29	30	30	30	31	31	31	32	32
30	31	31	31	31	32	32	32	33	33
31	32	32	32	32	33	33	33	34	34
32	33	33	33	34	34	34	34	35	35
33	34	34	34	35	35	35	36	36	36
34	35	35	35	36	36	36	37	37	37
35	36	36	36	37	37	37	38	38	38
36	37	37	37	38	38	38	39	39	40
37	38	38	38	39	39	39	40	40	41
38	39	39	39	40	40	41	41	41	42
39	40	40	40	41	41	42	42	42	43
40	41	41	42	42	42	43	43	44	44
41	42	42	43	43	43	44	44	45	45
42	43	43	44	44	44	45	45	46	46
43	44	44	45	45	45	46	46	47	47
44	45	45	46	46	47	47	47	48	48
45	46	46	47	47	48	48	49	49	49
46	47	47	48	48	49	49	50	50	51
47	48	48	49	49	50	50	51	51	52
48	49	49	50	50	51	51	52	52	53
49	50	50	51	51	52	52	53	53	54
50	51	51	52	52	53	53	54	54	55
51	52	52	53	53	54	54	55	55	56
52	53	53	54	55	55	56	56	57	57
53	54	54	55	56	56	57	57	58	58

	102	103	104	105	106	107	108	109	110
54	55	56	56	57	57	58	58	59	59
55	56	57	57	58	58	59	59	60	60
56	57	58	58	59	59	60	60	61	62
57	58	59	59	60	60	61	61	62	63
58	59	60	60	61	61	62	63	63	64
59	60	61	61	62	62	63	64	64	65
60	61	62	62	63	64	64	65	65	66
61	62	63	63	64	65	65	66	66	67
62	63	64	64	65	66	66	67	67	68
63	64	65	65	66	67	67	68	69	69
64	65	66	66	67	68	68	69	70	70
65	66	67	68	68	69	69	70	71	71
66	67	68	69	69	70	71	71	72	73
67	68	69	70	70	71	72	72	73	74
68	69	70	71	71	72	73	73	74	75
69	70	71	72	72	73	74	74	75	76
70	71	72	73	73	74	75	75	76	77
71	72	73	74	74	75	76	77	77	78
72	73	74	75	75	76	77	78	78	79
73	74	75	76	77	77	78	79	79	80
74	75	76	77	78	78	79	81	81	81
75	76	77	78	79	79	80	82	82	82
76	77	78	79	80	80	81	83	83	84
77	78	79	80	81	82	82	84	84	85
78	79	80	81	82	83	83	85	85	86
79	80	81	82	83	84	84	86	86	87
80	82	82	83	84	85	86	87	87	88
81	83	83	84	85	86	87	88	88	89
82	84	84	85	86	87	88	89	89	90
83	85	85	86	87	88	89	90	90	91
84	86	86	87	88	89	90	91	91	92
85	87	87	88	89	90	91	92	93	93
86	88	88	89	90	91	92	93	94	95
87	89	90	90	91	92	93	94	95	96
88	90	91	91	92	93	94	95	96	97
89	91	92	92	93	94	95	96	97	98
90	92	93	94	94	95	96	97	98	99
91	93	94	95	95	96	97	98	99	100
92	94	95	96	97	97	98	99	100	101
93	95	96	97	98	98	99	100	101	102
94	96	97	98	99	100	100	101	102	103
95	97	98	99	100	101	102	103	103	104
96	98	99	100	101	102	103	104	105	106
97	99	100	101	102	103	104	105	106	107
98	100	101	102	103	104	105	106	107	108
99	101	102	103	104	105	106	107	108	109
100	102	103	104	105	106	107	108	109	110

Rounded: Only fractions over half counted as whole.

The percentage columns at the top of the chart may be extended beyond 110 if it is believed that the amount of the unused acreage available will be sufficient to increase the allotments to a percentage larger than 55 percent of the 1937 planted and diverted acreage. In no case, however, will the allotments to farms in any county be increased beyond 66.7 percent of the 1937 planted and diverted acreage. If the acreage available for apportioning in a county will provide for allotments in excess of 66.7 percent of the 1937 planted and diverted acreage, such excess shall revert to the State reserve irrespective of the amount of the acreage ear-marked for use in the county.

For each one-half of one percent additional increase beyond 55 percent of the 1937 planted plus diverted acreage that would be necessary to allot the unused acreage available, one percentage column must be added to the chart. The acreages entered in the body of the chart are allotments computed on the basis of multiplying the 1937 planted plus diverted acreage by the varying percentages at the heading of each column.

In order to determine the farms for which cotton acreage allotments should be adjusted upward as well as the amount of the increase in the allotment for such farm, it will be necessary to compare the present allotment for each farm with the allotment computed on the basis of the varying percentages of the 1937 planted and diverted cotton acreage as shown in the chart for those farms on which the 1937 measured cotton acreage was less than the 1937 cotton base established for the farm in connection with the 1937 Agricultural Conservation Program and for which the present acreage allotment is not revised by releasing any unused cotton acreage allotment.

Fifty percent of the 1937 planted and diverted acreage which is entered in column 13 or column 17 of Form ACP-58, as the case may be, should be located in the column on the extreme left side of the chart and the present acreage allotment for the farm which is entered in column 12, 13, 16, or 17 of Form ACP-58, as the case may be, compared with the figures entered in each percentage column of the chart. The work sheet serial number and the amount by which the figure entered in each percentage column in the body of the chart for the respective farm (but not in excess of 40 percent of the acreage in the farm which is tilled annually or in regular rotation) exceeds the present allotment for the farm should be entered under the applicable columns on a tabulation sheet with the following headings:

Work sheet

serial										
number	<u>102</u>	<u>103</u>	<u>104</u>	<u>105</u>	<u>106</u>	<u>107</u>	<u>108</u>	<u>109</u>	<u>110</u>	

The percentage column for which an entry is made in the tabulation as determined above should correspond to the percentage column in the chart from which the entry was computed. Only those

farms which have an allotment at present less than 110 percent (or a higher percentage if deemed necessary) of one-half of the 1937 planted and diverted acreage will be listed. The amount by which the present allotment would be increased if the various minimum farm ratios were adopted should be entered in the column under each of the applicable percentages.

In the example given below the present allotment is entered under the letters "P.A.", 50 percent of the 1937 planted and diverted acreage under "M.A.", and the tilled acreage under "T.A." In the first example the present allotment for the farm of 37 acres would not be increased unless the minimum farm ratio were 105 percent of one-half of the planted and diverted acreage. If the minimum ratio were 109 percent the increase would be 2 acres. This is determined by locating 50 percent of the planted and diverted acreage for the farm, which is 36 acres, on the left side of the chart and comparing the figure on that line under the 109 percent column, which is 39, with the percent allotment of 37. In the second example the increase in allotment is limited by 40 percent of the tilled land for any minimum ratio beyond 107 percent of one-half of the 1937 planted and diverted acreage.

P. A.	M.A.	T.A.	102	103	104	105	106	107	108	109	110
37	36	110	0	0	0	1	1	2	2	2	3
75	75	200	1	2	3	4	4	5	5	5	5
26	26	100	1	1	1	1	2	2	2	2	3
50	46	190	0	0	0	0	0	0	0	0	1

Reference should be made to the chart in all cases unless it can be readily determined by inspection that the present allotment for the farm exceeds 50 percent of the 1937 planted and diverted acreage by more than 10 percent. There should not be any entries on the tabulation unless 110 percent (or a higher percentage if used) of one-half of the 1937 planted and diverted acreage is in excess of the present allotment.

When this tabulation has been completed for all farms in the county (or State), each percentage column should be summarized to determine the amount required to increase the allotments to the respective minimum farm ratios. The total of each column should be compared with the unused acreage available for distribution. The percentage in the heading of the column of which the total is the least amount below the unused acreage available will be the minimum farm ratio for the county or State, as the case may

be. The acreage entered in such column for each farm will then be added to the present acreage allotment for the farm and such new final acreage allotment entered in column 17 for farms in counties in which the present allotment for the farm is entered in column 12 and in column 15 for counties in which the present allotment is entered in column 16. In no case should the new final acreage allotment exceed 40 percent of the acreage which is tilled annually or in regular rotation. This may be determined in most cases from column 5 of Form ACP-58. If the indicated new final acreage allotment exceeds 40 percent of the figure in column 5 of Form ACP-58, it will be necessary to determine from the work sheet if any acreage of sugarcane for sugar, wheat, rice, or tobacco were deducted from the tilled acreage in determining the adopted tilled acreage for the farm.

Approved August 26, 1938.

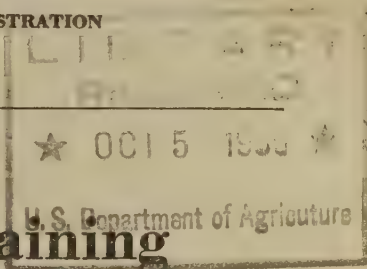
/s/ M. L. Wilson

Acting Secretary of Agriculture.

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

WASHINGTON, D. C.



Instructions Pertaining to Cotton Marketing Quotas for 1939

Part II. *County Office Records and Reports*



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1939

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

**INSTRUCTIONS PERTAINING TO COTTON
MARKETING QUOTAS FOR 1939**

PART II. COUNTY OFFICE RECORDS AND REPORTS

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disposition of all serially numbered forms by recording the issuance thereof on the records maintained in the office of the county committee (herein referred to as the county office), or by receipts on Form 352 for unused forms returned to the State office or forwarded to other county offices at the direction of the State office.

B. PUBLICATION AND NOTICE OF ACREAGE ALLOTMENTS, NORMAL YIELDS, AND FARM MARKETING QUOTAS

SEC. 204. PUBLICATION OF FARM ACREAGE ALLOTMENTS, NORMAL YIELDS, AND MARKETING QUOTAS.⁴

(a) **Preparation of Forms 310 and 310-A.**—As soon as cotton acreage allotments and normal yields per acre of lint cotton for farms in a county have been approved by the State office, the county committee shall have Forms 310 and 310-A prepared as follows:

1. Three copies of Form 310 and one copy of Form 310-A shall be prepared at the same time in the same typing operation, Form 310 being the first, third, and fourth copies, and Form 310-A being the second copy. Since Form 310-A is wider than Form 310, it will be necessary to fold under columns H, I, and J of Form 310-A in typing the set.

2. In the spaces indicated enter the page numbers, the State and county code number, the name of the county, and the name of the State.

3. The information and data for each farm in the county for which a cotton acreage allotment and normal yield per acre of lint cotton was established shall be entered in the numerical order of the farm serial numbers within the county (if the county is divided into two or more local administrative areas for the purpose of cotton marketing quotas, the farms in the county shall be grouped with regard to the administrative areas in which they are situated and listed by such groups) and the entries for each farm shall be made on a separate line. In the Western Division list the farms alphabetically by farm operators.

4. In column A enter the serial number of the farm.

5. Make no entry at this time in column B or enter in numerical order in column B of Form 310-A only the serial numbers of Forms 311, beginning with the first serial number of Forms 311 consigned to the county.

6. In column C enter the name of the **operator** of the farm. In the Western Division, enter below the name of the farm operator the name of each producer on the farm.

7. In column D enter either the legal description or a description of the location of the farm or else the name by which it is commonly known.

8. In column E enter the cotton acreage allotment established for the farm as shown on Forms ACP-84 or on NCR-309c or on SR-304 G or on ECR-307 or on WR-303.

9. In column F enter the normal yield per acre of lint cotton established for the farm as shown on Form ACP-84 or on NCR-309c or on SR-304 G or on SR-301 or on ECR-307 or on WR-303.

⁴ See sec. 302 of the regulations.

10. In column G enter the normal production of the farm acreage allotment obtained by multiplying the amount of the normal yield per acre entered in column F by the number of acres entered in column E.

11. Make no entries at this time in columns H, I, and J.

12. The total of column E shall be entered on line 51 of the last page of Form 310, but **not** on Form 310-A.

(b) **Distribution of Forms 310 and 310-A.**—Forms 310 and 310-A prepared as indicated in paragraph (a) shall be distributed as follows:

1. The original Form 310 shall be placed in a binder and shall be permanently kept freely available for public inspection in the county office.

2. One copy of Form 310 shall be furnished to the county agent for the county, who shall keep the list permanently available for public inspection in his office.

3. One copy of Form 310 shall be posted for not less than 30 calendar days in a conspicuous place in the county, or in each administrative area if the county has been so divided. The first and last day of the period during which the list is posted shall be entered in the spaces indicated on the original Form 310 which is retained in the county office and on the copy which is posted.

4. Form 310-A shall be placed in a binder and retained in the county office.

(c) **Revision in amount of acreage allotment or normal yield.**—If either the cotton acreage allotment or the normal yield per acre of lint cotton for any farm is revised after Form 310 is prepared, the entry in column E or column F, as the case may be, shall be corrected by marking through but not obliterating the original entry and by entering the revised figure above the original entry. A corresponding correction shall be made in column G. The total of column E on the last page of Form 310 shall likewise be changed. The revised figures shall not be published as provided in item 3 of paragraph (b) unless the correction may be made on the posted copy of form 310 prior to the expiration of the period for which it is posted.

SEC. 205. NOTICE OF FARM ACREAGE ALLOTMENTS, NORMAL YIELDS, AND MARKETING QUOTAS.⁵

(a) **Preparation of Form 309.**—As soon as cotton acreage allotments and normal yields per acre of lint cotton for farms in a county have been approved by the State office, the county committee shall have Forms 309 prepared in duplicate as follows:

1. In the spaces indicated enter the State and county code number and farm serial number, the name and address of the farm operator, and either the legal description or a description of the location of the farm or else the name by which it is commonly known.

2. In item 1 enter the cotton acreage allotment established for the farm as shown in column E of Form 310.

3. In item 2 enter the normal yield per acre of lint cotton established for the farm as shown in column F of Form 310.

4. In item 3 enter the normal production of the farm acreage allotment as shown in column G of Form 310.

5. After the county committee has approved the notice, **one member of the committee shall sign the original and the copy and enter the date of his signature in the spaces indicated on the original and the copy.**

⁵ See secs. 303 and 307 of the regulations.

(b) **Distribution of Form 309.**—The distribution of Form 309 shall be as follows:

1. Mail the original to the operator of the farm. It must be deposited in the United States mails in an envelope addressed to the farm operator on the day, as indicated by the date following the signature of the committeeman, on which it was signed.⁶

2. The copy, bearing the signature of the county committeeman and the date thereof, that is, **the date on which it was signed and mailed**, shall be placed in the folder for the farm or placed in a binder in the numerical order of the farm serial numbers.

3. A copy of the executed Form 309, duly certified as true and correct by a member of the county committee or the secretary or treasurer thereof, shall, upon request, be furnished without charge to any person who as operator, landlord, tenant, or sharecropper is interested in the cotton produced in 1939 on the farm.

(c) **Revision in amount of acreage allotment or normal yield.**—If either the cotton acreage allotment or the normal yield per acre of lint cotton for any farm is revised after the notice on Form 309 was mailed to the operator of the farm, **a new notice on Form 309**, showing the revised cotton acreage allotment, or normal yield, or both, as the case may be, and the changed amount of the farm marketing quota as expressed in terms of the normal production of the farm acreage allotment, shall be prepared as outlined in paragraph (a) of this section and distributed as outlined in paragraph (b) of this section with the exception that the word "Revised" shall be typed in the heading of Form 309 and the notice shall be accompanied by a brief letter stating that this notice supersedes the former notice and giving the reasons therefor, and the copy of the revised notice and the letter of explanation shall be securely attached to the previous notice.

C. MEASUREMENT OF FARMS

SEC. 206. PROCEDURE FOR MEASUREMENT OF FARMS.⁷

For the purpose of the cotton marketing quota provisions, each farm for which a cotton acreage allotment was established or on which cotton was planted in 1939 shall be measured in accordance with the established procedure of the Agricultural Adjustment Administration and a record of such measurements shall be kept among the records of the county office.

SEC. 207. REPORT OF MEASUREMENTS FOR OVERPLANTED FARMS.

(a) **Preparation of Form 318.**⁸—The county committee shall execute in duplicate and file promptly with the State committee for each overplanted farm in the county a written report on Form 318 prepared as follows:

1. In the spaces indicated enter the State and county code number, the sheet number, the total number of sheets in the report, the name of the county, and the name of the State.

2. Enter the information and data for each farm on a separate line.

⁶ Form 309 is the notice referred to in sec. 203 of the Review Regulations (38-A. A. A.-2) and any application for a review of the quota must, as set forth in sec. 300 of the Review Regulations, be made within 15 days after the mailing of the notice.

⁷ See sec. 401 of the regulations.

⁸ See sec. 402 of the regulations.

3. In column A enter the farm serial number.

4. In column B enter the name of the operator of the farm.

5. In column C enter **the names of all other cotton producers on the farm.** The name of each such producer shall be entered on a separate line, and the names of all cotton producers on the farm shall be entered on consecutive lines.

6. In column D enter the number of acres in cultivation on the farm. In the Southern, Western, and East Central Regions, enter the acreage from column 5 of Form ACP-84 and in the North Central Region, from column 11 of Form NCR-309c.

7. In column E enter the cotton acreage allotment established for the farm.

8. In column F enter the acreage planted to cotton in 1939 on the farm.

9. The totals of columns D, E, and F, respectively, shall be entered on the last sheet of the report.

10. The report shall be examined by the county committee and, if found to be correct, the original and copy shall be dated and signed by a member of the committee on its behalf.

(b) **Distribution of Form 318.**—The distribution of Form 318 shall be as follows:

1. The original shall be mailed to the State committee.

2. The copy shall be placed in a binder and kept as a permanent record in the county office.

SEC. 208. REVISION IN AMOUNT OF COTTON ACREAGE ALLOTTMENT OR REPORT OF MEASUREMENT.

If any revision is made in the amount of the cotton acreage allotment for any farm or the report of the acreage planted to cotton is changed for any farm and the change or revision alters any figure previously reported on Form 318 or would result in classifying a farm previously reported as an underplanted farm as an overplanted farm, the change or revision shall be set forth in a letter to the State committee signed by a member of the county committee and a copy of the letter attached to Form 318 and the change or revision entered on the county office copy of Form 318. If there are numerous changes of the latter type, a revised Form 318 shall be prepared and distributed as indicated in section 207 of these instructions.

D. HANDLING REPORTS FROM GINNERS*

SEC. 209. ESTABLISHING RECORDS FOR EACH GIN IN THE COUNTY.

The county committee shall ascertain the name and address of each gin situated within the county and the name and address of the operator or owner of the gin and determine whether such operator or owner is an individual, partnership, corporation, etc., and whether the gin is owned or leased by the operator. Consecutive serial numbers, beginning with number 1, for the gins shall be assigned for the purpose of identifying and filing Forms 316 and 326. A supply of Forms 316 and 326, together with a copy of the regulations, shall be furnished to each ginner and the use and execution of the forms shall

* See secs. 801 and 802(c) of the regulations. A ginner may also be a buyer and a producer. This subpart deals only with the records and reports required of a person in his capacity as a ginner as distinguished from his activities as a buyer or a producer, or both. For the definition of a ginner, see sec. 101(b) (21) and 101(b) (34) of the regulations.

be **explained to him in detail.** After the serial numbers have been assigned to all gins, a listing shall be prepared in quadruplicate to show the following information: (1) The gin serial number; (2) the name of the gin; (3) the full mail address of the gin; (4) the name of the owner or operator; (5) the full mail address of the owner or operator; (6) whether the gin is operated by one or more individuals, a partnership, corporation, etc., and (7) whether the gin is owned or leased by the operator. The original and two carbon copies of the listing shall be forwarded to the State office and the original and one carbon copy forwarded by it to the Regional Director. The first carbon copy shall be retained in the files of the county office.

SEC. 210. AUDIT OF FORM 316.

Immediately after the receipt of Forms 316, the county office shall examine the report as follows to determine whether it has been correctly prepared:

1. The State and county code number must appear in the space provided and, if it has not been entered by the ginner, shall be entered by the county office and the ginner notified by letter of the State and county code number.

2. The period covered by the report must be properly shown in the spaces provided.¹⁰

3. The total number of sheets in the report and the sheet numbers shall be verified. Any discrepancy shall be verified with the ginner.

4. Part I must be properly executed.¹¹

5. The name of the gin, the full mail address of the gin, and the name of the county in which it is located must appear in part II.

6. The county office shall enter in part III the serial number of the gin and the report number of the gin, which shall begin with No. 1 for the first report and continue thereafter in numerical sequence for each consecutive report. If a corrected report or a supplement to a previous report is received, the report shall be marked "Supplemental" and identified by the report number of the report which is being corrected or supplemented.¹²

7. The farm serial number or numbers for each bale or lot of cotton if less than a bale must appear in column A except in cases where cotton is sold in the seed and ginned in the name of the purchaser.¹³ In the latter event, all such cotton must be shown on a separate set of Form 316.¹⁴

8. The date of ginning must appear in column B for each item covered by the report.¹⁵

9. The name of the farm operator must appear in column C,¹⁶ except in cases where cotton is sold in the seed and ginned in the name of the purchaser. In the latter event, the name of the purchaser must be the same as that shown on the related Form 326 which is submitted with the report or which has been submitted previously.¹⁷ The name of the farm operator in column C must be in

¹⁰ See sec. 801(b) of the regulations and par. A.1 on the reverse side of Form 316.

¹¹ See par. A.3 on the reverse side of Form 316.

¹² See par. A.4 on the reverse side of Form 316.

¹³ See par. B.1 on the reverse side of Form 316.

¹⁴ See par. C.3 on the reverse side of Form 316.

¹⁵ See par. B.2 on the reverse side of Form 316.

¹⁶ See par. B.3 on the reverse side of Form 316.

¹⁷ See par. C.3 on the reverse side of Form 316 and sec. 211 of these instructions.

agreement with the farm serial number in column A. If they do not agree, the producer and the ginner must be so advised and the ginner requested to submit a supplemental report showing the correct information for the cotton.

10. The name of the producer, if other than the operator, must appear in column D ¹⁸ except where cotton sold in the seed and ginned in the name of the purchaser is also covered by a Form 326. ¹⁹ In cases where there are tenants or sharecroppers on the farm, and no entry is made in column D or the entries in column D indicate that all of the cotton is ginned for a few of the tenants or sharecroppers to the exclusion of others, the operator of the farm should be notified and asked to verify the correctness of the ginner's report and the ginner should be advised of the circumstances in order that future reports may be correctly prepared. **This column of the report is of particular importance in the case of an overplanted farm, an underplanted farm in connection with which there is carry-over penalty cotton, and a farm for which red marketing cards are issued.** ²⁰

11. The name of the county and State in which the farm is located must appear in column E, except in cases where cotton sold in the seed and ginned in the name of the purchaser is covered by a Form 326. ²¹

12. The gin bale number or mark must appear in column F. ²² In cases where the bale of cotton was produced on two or more farms by a single producer, or by several producers, a separate line on Form 316 will be required for the entries for each farm and for each producer and the county office should circle the bale number or mark appearing in column F to clearly indicate that the several entries relate to a single bale of cotton. ²³

13. The serial number of the gin ticket or receipt issued to the producer from the ginner or prepared by him with respect to the transaction must appear in column G. If the serial number of the gin ticket or receipt and the bale number are the same, the word "Same" may be entered in column G. ²⁴

14. The gross weight of the bale (including bagging and ties) must appear in column H. Where a bale of cotton was produced on two or more farms by a single producer or by several producers, the amount of cotton in each bale attributable to each farm and to each producer must appear on separate lines in column H. ²⁵

15. In column I, the county office shall enter the figure "22" pounds in the case of a square bale, except that, if the bagging is made from cotton, the figure shall be "14" pounds, and enter the figure "3" in the case of a round bale. ²⁶ Where a bale of cotton was produced on two or more farms by a single producer or by several producers, a single entry only in column I shall be made as indicated above for the several entries in column H for the single bale.

¹⁸ See par. B.4 on the reverse side of Form 316.

¹⁹ See par. C.3 on the reverse side of Form 316 and sec. 211 of these instructions.

²⁰ See secs. 225(e) 2; 225(f); 225(g) and 226 of these instructions.

²¹ See pars. B.5 and C.3 on the reverse side of Form 316 and sec. 211 of these instructions.

²² See par. B.6 on the reverse side of Form 316.

²³ See pars. C.1 and C.2 on the reverse side of Form 316.

²⁴ See par. B.7 on the reverse side of Form 316.

²⁵ See pars. B.8, C.1, and C.2 on the reverse side of Form 316.

²⁶ See par. B.9 on the reverse side of Form 316.

16. In column J the county office shall enter the result obtained by subtracting the entry in column I from the entry in column H. Where a bale of cotton was produced on two or more farms by a single producer or by several producers, the weight of the bagging and ties shall be distributed proportionately among the several entries in column H in making the deduction so that an entry will appear in column J for each figure in column H for the bale.

17. In all cases where cotton is sold in the seed and ginned in the name of the purchaser, including "toll" cotton, that is, cotton received by the ginner in lieu of a cash ginning charge, the cotton **must be shown on a separate set of Form 316 and not included on the Form 316 prepared for cotton ginned for and in the name of the producer.** Where this procedure has not been followed by the ginner, the errors shall be called to the attention of the ginner, and a request should be made that he observe the procedure outlined in paragraph C.3 of the instructions printed on the reverse side of Form 316 and that he submit a properly executed Form 316 as a supplement to the previous report.

18. The totals of columns H, I, and J shall be entered beneath line 40 on the last page of each report of the Form 316 prepared for cotton ginned for and in the name of the producer.²⁷ Do not include in the totals the figures on the reports prepared as indicated in item 17 above.

SEC. 211. AUDIT OF FORM 326.

Immediately after the receipt of Form 326 from the ginner, the county office shall examine the report as follows to determine whether it has been correctly prepared:

1. The county office shall enter above the title of Form 326 the name of the gin from which the report was submitted, followed by the gin serial number and report number.²⁸

2. The name of the buyer and his full mail address must appear in the spaces provided and the certificate of the buyer must be executed.²⁹

3. The farm serial number must appear in column (A).³⁰

4. The name of the county and State in which the cotton was produced must appear in column (B).³¹

5. The name of the operator of the farm on which the cotton was produced must appear in column (C).³²

6. The name of *each* producer, including the operator, who has an interest in the seed cotton purchased must appear in column (D).³³

7. The share of each producer, expressed in pounds of **seed cotton**, must appear in column (E).³⁴

8. The share of each producer, expressed in the estimated pounds of **net lint cotton** in the seed cotton, must appear in column (F).³⁵

9. If the seed cotton listed on Form 326 can be identified with a bale or bales of cotton shown on the set of Form 316 prepared for cotton ginned in the name of the purchaser of seed cotton, the county office shall—

²⁷ Also see sec. 215(a) of these instructions.

²⁸ See sec. 209 and item 6 of sec. 210 of these instructions.

²⁹ See the introductory paragraph on the reverse side of Form 326.

³⁰ See par. (2) on the reverse side of Form 326.

³¹ See par. (3) on the reverse side of Form 326.

³² See par. (4) on the reverse side of Form 326.

³³ See par. (5) on the reverse side of Form 326.

³⁴ See par. (6) on the reverse side of Form 326.

³⁵ See par. (7) on the reverse side of Form 326.

- (i) Enter the net weight of the bale or bales in the total line of column (G) ;
- (ii) Divide the amount so entered in column (G) by the total of column (E) and enter the resulting percentage figure, carried to the fourth decimal place in the heading of column (G) ;
- (iii) Multiply each figure in column (E) by the percentage figure in the heading of column (G) and extend the result in column (G).

SEC. 212. COTTON PRODUCED ON FARMS LOCATED IN OTHER COUNTIES.

(a) **Form 316.**—A separate Form 316 shall be prepared by the county office for each ginner's report with respect to farms located in **each of the other counties** shown by column (E) of the original Form 316 received from the ginner. The following information shall be entered on each Form 316 so prepared :

1. Above the title of Form 316 enter the word "Extract."
2. In the spaces indicated enter the State and county code number for the State and county in which the gin is situated; the sheet number and the number of sheets which will be required to list the farms located in a particular county; the period covered by the ginner's report from which the information is being taken; the name and full mail address of the gin; the name of the manager of the gin; the serial number assigned to the gin; and the number of the report from which the information is transcribed.

3. The information appearing in columns A through J for cotton ginned from farms located in the other county shall be transcribed exactly as it appears on the original (or supplemental) Form 316 submitted by the ginner.

4. The treasurer or secretary of the county committee shall sign his name and enter his title and the date of his signature below the entries made in columns A through J.

(b) **Form 326.**—A separate Form 326 shall be prepared for each Form 326 received from the ginner with respect to farms located in **each of the other counties** as shown by the entry in column (B). The following information shall be entered on each Form 326 so prepared :

1. Above the title of Form 326 enter the word "Extract."
2. Line through the printed serial number and enter beneath it the serial number of the Form 326 from which the information is being transcribed.

3. In the space above the title of the form enter the name of the gin from which the report was received followed by the State and county code for the county in which the gin is located and the gin serial number.

4. In the spaces indicated enter the name and full mail address of the buyer and the information appearing in the certificate of the buyer.

5. The information appearing in columns (A) through (G) for cotton purchased from the farms located in the other county shall be transcribed exactly as it appears on the Form 326 from which it is being transcribed.

6. The treasurer or secretary of the county committee shall sign his name and enter his title and the date of his signature below the entries made in columns (A) through (G).

(c) **Distribution of extracts.**—The original of Form 316 or Form 326 prepared as outlined in paragraphs (a) and (b) shall be mailed to the treasurer of the county committee for the county in which the farms are located and a copy retained in the county office in which it is prepared. If an extract is **not** to be prepared for the period for an adjoining county or a county for which an extract was previously furnished, the treasurer or secretary of the county committee shall notify the treasurers or secretaries of the county committees for the adjoining or other counties that no extract for the period will be prepared for the reason that no cotton from the adjoining or other counties was ginned within the county and no Form 326 was received. **The extracts must be forwarded to the other counties within 5 days after the ginner's report is received.**

SEC. 213. COTTON PRODUCED ON FARMS LOCATED WITHIN THE COUNTY AND GINNED IN OTHER COUNTIES.

Each county in which the cotton is ginned will prepare and submit as outlined in section 212 of these instructions an extract showing the cotton ginned therein which was produced in other counties. **If an extract, or a notice that there will be no extract, is not received within 10 days following the last day of the period to be covered by a ginner's report from an adjoining county or other county from which an extract has been received previously, inquiry shall be directed to such county to determine whether an extract is to be received for the period.** The extract on Forms 316 and 326, respectively, shall be audited as outlined in sections 210 and 211 of these instructions with the exception that any error shall be called to the attention of the treasurer of the county committee for the county from which the extract was received, who shall in turn effect a correction of the report by communicating with the ginner or otherwise.

SEC. 214. TRANSCRIBING THE INFORMATION SHOWN ON FORMS 316 AND 326 ON INDIVIDUAL FARM RECORDS.

The information shown on Forms 316 and 326 received from ginner in the county or in the form of extracts from other counties shall be transcribed on individual farm records as follows:

1. If the farm is an underplanted farm on which no producer has carry-over penalty cotton **and** for which no red marketing card was issued, the information shall be transcribed on Form 351 as outlined in section 223 of these instructions.

2. If the farm is an overplanted farm, **or** a farm on which any producer has carry-over penalty cotton, **or** a farm for which a red marketing card was issued, the information shall be transcribed on Form 354, if necessary, and posted to Form 317 as outlined in section 225(e) of these instructions.

SEC. 215. SUMMARY OF FORMS 316 AND 326.

(a) **Preparation of Form 353 for individual gins.**—A separate Form 353 shall be prepared for each gin located in the county and for each gin from which extracts are received from other counties. As soon as Forms 316 and 326 received for a period have been audited,³⁶ extracts have been prepared,³⁷ and the information relat-

³⁶ See secs. 210 and 211 of these instructions.

³⁷ See sec. 212 of these instructions.

ing to individual farms has been posted,³⁸ a summary of the information shall be posted to Form 353 for the gin as follows, using the first line for the first report and the succeeding lines for each subsequent report:

1. In the spaces provided enter the State and county code and the gin serial number (if the gin is located in another county the gin serial number shall be preceded by the State and county code for that county).

2. In column A of part I enter the report number of Form 316.

3. In column B of part I enter the sum of the following: (i) The total gross weight of the cotton covered by the Form 316, which shall be the total of column H thereof, exclusive of any cotton which was sold in the seed and ginned in the name of the purchaser,³⁹ and (ii) the total estimated lint cotton in column (F) or column (G) of all Forms 326.⁴⁰

4. In column C of part I enter the total number of square bales shown on Form 316, exclusive of any cotton which was sold in the seed and ginned in the name of the purchaser.⁴¹

5. In column D of part I enter the total number of round bales shown on Form 316, exclusive of any cotton which was sold in the seed and ginned in the name of the purchaser.⁴¹

6. In column E of part I enter the weight of the bagging and ties of the cotton covered by Form 316 as shown in column I thereof, exclusive of any cotton which was sold in the seed and ginned in the name of the purchaser.⁴¹

7. In column F of part I enter the result obtained by subtracting the entry in column E from the entry in column B which must agree with the total of column J of Form 316, exclusive of any Forms 316 in the report which cover cotton sold in the seed and ginned in the name of the purchaser, plus the total of column (F) or column (G) of Form 326.⁴²

8. In column G of part I enter the sum of the following: (i) The total of columns J of all extracts on Form 316 for farms located in other counties and (ii) the total of columns (F) or columns (G) of all extracts on Form 326 for farms located in other counties. No entries will appear in column G of Form 353 prepared on the basis of extracts received for a gin located in another county.

9. In column H of part I enter the total net weight of cotton produced on farms located within the county.

10. Under the heading "Supplemental Reports" of part I enter the information indicated above from any supplemental report which **increases** the total amount of the cotton ginned as shown on the report which is corrected or supplemented. If the total amount of cotton on the report is **decreased**, make **no** entry under the heading "Supplemental Reports" but change the total for the report as entered on Form 353 pursuant to the foregoing item of this paragraph.

11. If any extract from the gin is prepared with respect to cotton produced on farms located in another county,⁴³ all of the extracts fur-

³⁸ See sec. 214 of these instructions.

³⁹ See item 18 of sec. 210 of these instructions.

⁴⁰ See items 8 and 9 of sec. 211 of these instructions.

⁴¹ See item 15 of sec. 210 of these instructions.

⁴² See item 18 of sec. 210 and items 8 and 9 of sec. 211 of these instructions.

⁴³ See sec. 212 of these instructions.

nished to the county shall be recorded in one of the divisions of part II of Form 353, or an additional Form 353 if extracts are furnished to more than three counties, as follows:

- a. At the beginning of the division of part II enter the name of the county to which the extracts are furnished and of the State in which it is situated.
- b. In column A of the division of part II enter the report number of the Form 316 from which the extract is taken.
- c. In column B of the division of part II enter the sum of the following: (i) The total gross weight of the cotton covered by the extract on Form 316, which shall be the total of column H thereof, and (ii) the total estimated lint cotton in column (F) or column (G) of all extracts for the period on Form 326.
- d. In column C of the division of part II enter the total number of square bales shown on the extract on Form 316.
- e. In column D of the division of part II enter the total number of round bales shown on the extract on Form 316.
- f. In column E of the division of part II enter the weight of the bagging and ties of the cotton covered by the extract on Form 316 as shown in column I thereof.
- g. In column F of the division of part II enter the result obtained by subtracting the entry in column E from the entry in column B which must agree with the total of column J of the extract on Form 316 plus the total of column (F) or column (G) of the extracts on Form 326.

12. At the end of the ginning season the totals of column B through H of part I and B through F of each division of part II shall be entered on the respective total lines.

(b) **Preparation of Form 353 as a county summary for all gins.**—A separate Form 353 shall be prepared as follows as a county summary of cotton ginned by **all gins located in the county** and for extracts received **from gins located in other counties**:

1. The title of Form 353 shall be altered to read "County Summary of Forms Cotton 316 and 326."

2. In the space provided enter the State and county code number. Make no entry in the space for the gin serial number.

3. The heading of column A should be altered to read "Period."

4. In column A of part I enter the period, for example, on the first line enter "September 1-15" and on the second line "September 16-30," and on the third line "October 1-15," etc., throughout the season on each consecutive line.

5. In columns B through H of part I enter the respective sums of the entries for the particular period in columns B through H of part I of Form 353 for all gins.⁴⁴

6. A division of part II for each county to which an extract on Form 316 or Form 326 was furnished shall be executed as follows after changing the title of column A to read "Period":

- a. At the beginning of the division of part II enter the name of the county to which the extracts were furnished and of the State in which it is situated.

⁴⁴ See par. (a) of this section.

- b. In column A of the division of part II enter the period, for example, "September 1-15," etc., throughout the season.
 - c. In column B of the division of part II enter the sum of the entries for the particular period in column B of part II of Form 353 for all gins from which extracts were furnished to the particular county.
 - d. In column C of the division of part II enter the sum of the entries for the particular period in column C, part II, of Form 353 for all gins from which extracts were furnished to the particular county.
 - e. In column D of the division of part II enter the sum of the entries for the particular period in column D, part II, of Form 353 for all gins from which extracts were furnished to the particular county.
 - f. In column E of the division of part II enter the sum of the entries for the particular period in column E of part II of the Form 353 for all gins from which extracts were furnished to the particular county.
 - g. In column F of the division of part II enter the sum of the entries for the particular period in column F, part II, of Form 353 for all gins from which extracts were furnished to the particular county.
7. At the end of the ginning season the totals of columns B through H of part I, and B through F of each division of part II shall be entered on the respective total lines.

(c) **Preparation of Form 353 as a county summary of extracts received from other counties.**—A summary of the extracts received from all gins situated in a particular county⁴⁵ shall be prepared on Form 353 as follows:

1. The word "Extracts" shall be entered in the heading above the title and the title shall be altered to read "County Summary of Forms Cotton 316 and 326."

2. The name of the county and State from which the extracts were received shall be entered in the space provided following the word "County" and no entry shall be made following the words "Gin serial No."

3. The heading of column A of part I shall be changed to read "Period."

4. In column A of part I enter the period; for example, on the first line enter "September 1-15," etc., throughout the ginning season on each consecutive line.

5. In columns B through H of part I enter the respective sums of the entries for the particular period in columns B through H of part I of all Forms 353 for all gins in the particular county for which extracts were received.

6. At the end of the ginning season the totals of columns B through H of part I shall be entered on the total line.

(d) **Reports to the State office and Regional Director.**—Not later than December 15, 1939, copies of Forms 353 as they have been prepared pursuant to paragraphs (b) and (c) of this section through the period ending November 30, 1939, shall be made in quadruplicate.

⁴⁵ See sec. 213 of these instructions.

In addition to the information shown on the original Form 353, the totals of all columns shall be entered on the copies prepared under this paragraph. The original and two copies shall be forwarded to the State office and the original shall be forwarded by it to the Regional Director. One copy shall be retained by the county office. Not later than February 15, 1940, a copy of Form 353 as it has been prepared pursuant to paragraphs (b) and (c) through the period ending January 31, 1940, shall be made in quadruplicate and distributed as indicated above. A final report shall be made in this manner at the end of the ginning season.

SEC. 216. REIMBURSING GINNERS FOR POSTAGE EXPENSES INCURRED.

The treasurer of the county committee shall furnish each ginner with postage stamps to cover the expense of submitting reports on Forms 316 and 326. Since the amount of postage required for each report cannot be determined in advance, arrangements should be made with the ginner whereby the postage stamps may be furnished to him in advance to be used as the need arises, or whereby the ginner may be reimbursed from the administrative expense funds of the county committee for the postage expense incurred by him upon the basis of a detailed statement of such expenses presented to the county committee at the end of the season. Where postage stamps are furnished in advance, a postage account should be set up for each ginner and filed in the folder for the gin. The postage account should show (1) the value of the stamps advanced and (2) the value of the stamps used in transmitting each report. The portion of the envelope bearing the canceled postage stamps should be detached and identified with the gin and the report number and filed in the folder to substantiate the postage account. Each ginner must also give receipts for the postage stamps advanced, which shall be filed in the folder for the gin to substantiate the postage account.

SEC. 217. COUNTY OFFICE FILES FOR GINNERS' RECORDS AND REPORTS.

A file shall be established for each gin in the county and for each gin located in another county for which extracts are received. The file shall contain the following:

1. All Forms 316 received from the ginner.
2. All Forms 326 received from the ginner.
3. All copies of extracts on Forms 316 and 326 furnished to other counties.
4. In the case of gins located in other counties, all extracts received in connection therewith on Forms 316 and 326.
5. Form 353 prepared for the gin.
6. All supplemental reports on Form 316.
7. A copy of all correspondence with the ginner in regard to the ginner's records and reports.
8. The postage account with the ginner.⁴⁶

SEC. 218. GINNERS FAILING OR REFUSING TO MAKE A REPORT ON FORM 316 OR TO CORRECT A REPORT MADE ON FORM 316 OR TO SUBMIT FORM 326.

If the report from any ginner for the period from the first through the fifteenth of any month has not been received on or before the twentieth of the month or if the report from any ginner for the period from the sixteenth through the last day of a month has not been

⁴⁶ See sec. 216 of these instructions.

received on or before the fifth day of the succeeding month, the county committee shall forward by registered mail (return receipt requested) to the ginner a copy of Forms 316 and 326 and a copy of the regulations. The material should be accompanied by a letter from the county committee pointing out to the ginner that the instructions relative to the proper execution of Forms 316 and 326 are printed on the reverse side thereof and directing his attention particularly to sections 373(a) and 376 of the act and sections 801, 802(c), and 806 of the regulations. The ginner should be advised in addition that the reports on Forms 316 and 326 have been prescribed in sections 801 and 802(c) of the regulations by the Secretary of Agriculture pursuant to section 373(a) of the act, which requires the ginner to make the reports requested and which makes the failure or refusal to submit the reports or the submission of a false report a misdemeanor punishable upon conviction thereof by a fine of not more than \$500 for each offense. The county committee should explain further that it is under a duty to report, in accordance with section 806 of the regulations, any case where the ginner is actually in default in order that proceedings under section 376 of the act may be instituted to enforce specifically the provisions of the act. The letter should request an immediate reply from the ginner. If no reply from the ginner is received or if his reply indicates a lack of conformance with the act and regulations, the county committee or a representative thereof, shall call at the ginner's place of business and endeavor to discuss with him the reasons he may have for not making the reports and again call to his attention the above-mentioned provisions of the act and regulations. If the ginner will not make the reports after the matter has been so discussed with him, a report in **quintuplicate** should be prepared and the original and three copies thereof transmitted to the State committee. The report as forwarded to the State committee should set forth in detail each fact in connection with the failure or refusal to submit the reports, the name and address of the gin and of the owner or operator of the gin, and show whether such owner or operator is an individual, partnership, corporation, etc., and should be accompanied by the same number of copies of all correspondence between the county committee and the ginner and all statements obtained by the committee from the ginner in connection therewith.

E. RECORDS AND REPORTS FOR UNDERPLANTED FARMS IN CONNECTION WITH WHICH NO PRODUCER HAS CARRY-OVER PENALTY COTTON AND FOR WHICH NO RED MARKETING CARD WILL BE ISSUED

SEC. 219. ISSUING WHITE MARKETING CARDS.

(a) **Conditions under which white marketing cards will be issued.**—White marketing cards (Form 311) will be issued in accordance with **this** section to the operator and, unless the county committee finds that it will not serve a useful purpose, to every producer on each farm in the county for which a cotton acreage allotment and normal yield per acre of lint cotton were established (including farms on which a pure strain of Sea Island or American-Egyptian cotton

is being produced)⁴⁷ with the following exceptions (the exceptions do not prevent the issuance of white marketing cards in case sections 501(b), 501(c), or 501(d) of the regulations are also applicable):⁴⁸

1. No white marketing card shall be issued to the producers on an overplanted farm.⁴⁹

2. No white marketing card shall be issued to the producers on a farm in connection with which one or more producers have carry-over penalty cotton.⁴⁹

3. No white marketing card shall be issued to the producers on a farm on which no cotton is planted in 1939.

4. No white marketing card shall be issued to or for any producer with respect to any farm in the county in which he has an interest as a cotton producer if he has an interest in an overplanted farm in the county or a farm in the county in connection with which he or any other producer has carry-over penalty cotton. However, unless exceptions Nos. 5 or 7 below are applicable, white marketing cards may be issued to or for producers other than the multiple farm producer on any underplanted farm in the county in connection with which no producer has carry-over penalty cotton although the multiple farm producer also has an interest therein.⁵⁰ **Comment:** If, for example, a producer has an interest in two farms in the county, the first farm being an overplanted farm or a farm in connection with which he or another producer has carry-over penalty cotton and neither of these conditions exists on the second farm, the producer is not eligible to receive a white marketing card for either of the farms. However, the other producers on the second farm may be issued white marketing cards if the multiple farm producer does not participate directly in the management or control of the farm and receives merely a proportionate share of the cotton produced thereon or the proceeds of a proportionate share therein.

5. No white marketing card shall be issued to or for any of the producers on an underplanted farm in the county in connection with which no producer has carry-over penalty cotton if (i) a producer thereon also has an interest as a cotton producer in an overplanted farm in the county or a farm in the county in connection with which he or any other producer has carry-over penalty cotton and (ii) the county committee determines that the issuance of a red marketing card to or for all of the producers is necessary in order to enforce the provisions of the Act.⁵¹ **Comment:** If a producer in the county has an interest in two farms in the county, the first farm being an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and neither of these conditions exists on the second farm, red marketing cards shall nevertheless be issued to or for the other producers on the second farm as well as the first farm if this is determined to be necessary. This exception applies, for example, but not exclusively, to cases where the interests of the multiple-farm producer and the other

⁴⁷ See secs. 501(a) and 505(a) of the regulations.

⁴⁸ The procedure for issuing white marketing cards pursuant to secs. 501(b), 501(c), and 501(d) of the regulations is contained in secs. 238, 239, and 240, respectively, of these instructions.

⁴⁹ See secs. 502, 503, and 505(b) of the regulations and secs. 228(a) and 229(a) of these instructions.

⁵⁰ See clause (3) of the second sentence of sec. 505(b) of the regulations.

⁵¹ See clause (2) of the second sentence of sec. 505(b) of the regulations.

producers as they affect the marketing quota provisions are closely related or the multiple-farm producer exercises a control or management over the farms or the operation of the farms is substantially identical.

6. No white marketing card shall be issued to or for any producer with respect to any farm in the State in which he has an interest as a cotton producer if (i) he has an interest in an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and (ii) the State committee determines that exception No. 4 above shall apply to him with respect to all farms in the State in which he has an interest.⁵² **Comment:** This exception applies, for example, but not exclusively, to cases where a producer has an interest in two farms, the first being an overplanted farm or a farm in connection with which a producer has carry-over penalty cotton and neither of these conditions exists on the second farm, and the farms are in adjoining counties or different counties and the county boundary lines are inadequate guides in separating the activities of the producer with respect to the farms insofar as the marketing quota provisions are concerned.

7. No white marketing card shall be issued to or for any of the producers on an underplanted farm in the State in connection with which no producer has carry-over penalty cotton if (i) a producer thereon also has an interest as a cotton producer in an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and (ii) the State committee determines that exception No. 5 above shall apply with respect to all such farms in the State.⁵³ **Comment:** This exception applies, for example, but not exclusively, to cases where a producer has an interest in two farms, the first being an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and neither of these conditions exists on the second farm, and the farms are in adjoining counties or different counties and the interests of the multiple farm producer and other producers as they affect the marketing quota provisions are closely related or the multiple-farm producer exercises a control or management over the farm or the operation of the farms is substantially identical.

8. No white marketing card shall be issued to any producer if the county committee determines that the issuance of a red marketing card rather than the issuance of a white marketing card is necessary to enforce the provisions of the Act.⁵⁴ **Comment:** This exception applies, for instance, but not exclusively, to cases where (i) a producer apparently used a white marketing card (form Cotton 211) for the 1938-39 marketing year to identify cotton marketed subject to penalty by another producer or himself or otherwise used the form Cotton 211 so issued in an attempt to evade the provisions of the act or regulations issued thereunder for the 1938-39 marketing year, (ii) where a producer who would otherwise be eligible to receive a white marketing card is so closely connected with a producer on an overplanted farm or who has carry-over penalty cotton that the issuance of a red marketing card to both producers in view of their connection is neces-

⁵² See clause (3) of the second sentence of sec. 505(b) and sec. 505(c) of the regulations.

⁵³ See clause (2) of the second sentence of sec. 505(b) and sec. 505(c) of the regulations.

⁵⁴ See sec. 501(e) of the regulations.

sary in order to enforce the provisions of the act, or (iii) a producer has planted in 1939 Sea Island or American-Egyptian cotton which is in excess of, or which, together with other varieties, is in excess of, the cotton acreage allotment for the farm and the county committee cannot determine to its satisfaction whether the cotton is from a pure strain or whether it will produce cotton the staple of which is $11\frac{1}{2}$ inches or more in length.⁵⁵

(b) **Preparation of Form 310-A.**—In issuing white marketing cards pursuant to section 501 (a) of the regulations, Form 310-A prepared with Form 310 as provided in section 204 of these instructions shall be executed for the purpose of issuing marketing cards by entering in column B in numerical order the serial numbers of the Form 311 to be issued, beginning with the first serial number of the Form 311 consigned to the county, with the exception that no entry shall be made in column B for any person to whom one or more of the exceptions enumerated in paragraph (a) is applicable. If any of the exceptions are applicable a line shall be drawn through the entries in columns A through I for the farm, and in column J the notation "Exception 1," "Exception 2," etc., as the case may be, shall be entered.

(c) **Preparation of Form 311.**—After Form 310-A has been prepared as indicated in paragraph (b), Form 311 shall be prepared as follows:⁵⁶

1. In the space indicated, enter the State and county code followed by the farm serial number shown in column A of Form 310-A opposite the corresponding marketing card serial number which has been entered in column B thereof.

2. In the space indicated, enter a description of the farm if the operator of the farm for which the Form 311 is to be issued has an interest in more than one farm or if the county committee determines that a description of the farm is necessary.

3. The name and full mail address of the farm operator to whom the marketing card is to be issued shall be printed or typed above the words "(Print name and full mail address of farm operator)".

4. The word "Same" shall be printed or typed above the words "(Print name and full mail address of producer to whom issued)".

5. Form 311 shall then be compared with the entries in columns A, B, and C of Form 310-A to determine whether the comparable information appearing therein is identical.

(d) **Receipts for Form 311 issued to farm operators.**—The county committee shall examine each Forms 311 and 310-A prepared as indicated in paragraphs (b) and (c) and, if it finds that Form 311 so prepared may properly be issued to the operators whose names appear thereon, a member of the committee on its behalf **shall sign** each Form 311 and enter thereon the date of his signature. The county committee shall then issue each marketing card to the operator whose name appears thereon, who shall receipt therefor by signing his name on the applicable line in column I of Form 310-A and by entering the date of his signature in column H thereof. **Each operator receiving a Form 311 shall promptly upon its receipt sign his name (in the style shown therein) in the space provided and enter the date of his signature opposite it.**

⁵⁵ See also secs. 606 and 703 of the regulations.

⁵⁶ See sec. 501(a) of the regulations.

(e) **Preparation of Form 310-A for white marketing cards issued to producers other than the operator** (not applicable in the Western Region).—After Form 311 has been issued to farm operators as outlined in the preceding paragraphs of this section, the county committee shall have Form 310-A prepared in the original only as follows for all other producers on the farms to which the white marketing cards were issued pursuant to this section unless the county committee finds that the issuance of a white marketing card to any one of such producers will not serve a useful purpose:⁵⁷

1. In the spaces indicated enter the State and county code number, the page number, and the name of the county and State.

2. List the information for all producers on a particular farm on consecutive lines.

3. In column A enter the farm serial number.

4. In column B enter the printed serial number of the Form 311.

5. In column C enter the name of the producer to whom the Form 311 is to be issued.

6. Make no entries in the remaining columns.

(f) **Preparation of Form 311 for producers other than the operator**.—After Form 310-A has been prepared as indicated in paragraph (e), Form 311 for producers other than the farm operator shall be prepared as follows:⁵⁷

1. In the space indicated, enter the State and county code followed by the farm serial number shown in column A of Form 310-A opposite the corresponding marketing card serial number which has been entered in column B thereof.

2. In the space indicated, enter a description of the farm if the farm operator has an interest in more than one farm or if the county committee determines that a description of the farm is necessary.

3. The name and full mail address of the farm operator shall be printed or typed above the words "(Print name and full mail address of farm operator)".

4. The name and full mail address of the producer to whom the marketing card is to be issued shall be printed or typed above the words "(Print name and full mail address of producer to whom issued)".

5. Form 311 shall then be compared with the entries in columns A, B, and C of Form 310-A to determine whether the comparable information appearing therein is identical.

(g) **Receipts for Form 311 issued to producers other than the operator**.—The county committee shall examine each Form 311 and Form 310-A prepared as indicated in paragraphs (e) and (f) and, if it finds that Form 311 so prepared may properly be issued to the producers whose names appear thereon, a member of the committee on its behalf **shall sign** each Form 311 and enter thereon the date of his signature. The county committee shall then issue each marketing card to the producer whose name appears thereon, who shall receipt therefor by signing his name on the applicable line in column I of Form 310-A and by entering the date of his signature in column H thereof. Each producer receiving a Form 311 shall promptly upon its receipt sign his name (in the style shown therein) in the space provided and enter the date of his signature opposite it.

⁵⁷ See sec. 501(a) of the regulations.

(h) **Delivery of Form 311 by mail.**—If Form 311 cannot be delivered in person to the operator or producer for whom prepared after a reasonable effort to effect the delivery in that manner, Form 310-B (individual receipt for white marketing card) shall be mailed to the operator or producer for his signature. Upon the return of this receipt to the county office the county committee shall forward by mail Form 311 to the operator or producer, accompanied by a brief letter informing the producer that the marketing card is to be used by him in identifying his cotton at the time it is marketed for sale, barter, or exchange, and cautioning him to sign his name immediately in the space indicated and enter the date thereof in order to prevent the improper use of the card, since he will be held strictly accountable for its proper use. The return receipt shall be attached to the proper Form 310-A and a reference thereto made in column I opposite the producer's name. No receipt forms will be printed but any receipt used under this paragraph shall be in the following form:

COTTON 310-B
U. S. Department of Agriculture
Agricultural Adjustment Administration

Page No. , line , of
Form 310-A

(State and county code and farm serial number)

RECEIPT FOR WHITE MARKETING CARD

Received from _____, Treasurer, _____
County Committee Form Cotton 311 serially numbered _____
Date _____
(Signature of producer to whom issued.)

SEC. 220. ISSUING FORM 311-A.

Form 311-A shall, upon request of the producer, be issued by the county committee to any producer to whom Form 311 was issued who desires to market cotton by telephone, telegraph, letter, or by any means or method other than directly to and in the presence of the buyer or transferee.⁵⁸ A record of the issuance of Form 311-A shall be kept on Form 310-A as follows:

1. Above the title enter the legend "Form 311-A."
2. In column A enter the serial number of the farm.
3. In column B enter the serial number of Form 311 issued to the operator or producer.
4. In column C enter the name of the operator or producer.
5. In columns E and F enter the first and last serial number, respectively, in the book of Form 311-A issued to the producer.
6. In the space indicated on each Form 311-A in the book the treasurer of the county committee shall enter in indelible pencil, except for the stamping of his address on the reverse side of the postal card copy of each Form 311-A-b, (i) the State and county code num-

⁵⁸ See secs. 602 and 802(a) (2) of the regulations.

ber and the serial number of the farm with respect to which Form 311-A is issued; (ii) the marketing-card serial number of the Form 311 issued to the producer; (iii) the name of the county; (iv) the name of the State; (v) the name and full mail address of the operator or producer to whom Form 311-A is issued; and (vi) on the address side of each Form 311-A-b, stamp the full mail address of the treasurer of the county committee beneath the words "Treasurer of the County Agricultural Conservation Committee."

7. The county committee shall examine Form 310-A and each Form 311-A and, if found to be correct, its approval thereof shall be indicated by a member thereof signing his name on each Form 311-A in the space indicated and entering the date on which it was issued (being the date of such approval).

8. The producer shall receipt for Form 311-A by signing his name in column I of Form 310-A and by entering the date of his signature in column H.

SEC. 221. LOST, DESTROYED, OR STOLEN WHITE MARKETING CARDS.

In case any Form 311 is lost, destroyed, or stolen, the county committee may reissue such forms to the producer in accordance with section 507 of the regulations. A copy of the notices of cancelation, other correspondence, and a memorandum of any findings of the county committee in connection with the loss, destruction, or theft of such forms shall be filed in the folder for the farm. In case a lost, destroyed, or stolen Form 311 is to be replaced, the county committee shall issue Form 311 in accordance with the procedure contained in section 219 of these instructions, except that:

1. The word "Duplicate" shall be stamped across the face of the newly issued Form 311.

2. The legend "Lost," "Destroyed," or "Stolen" shall be entered in column J of Form 310-A opposite the entry showing the issuance of the duplicate Form 311.

3. The legend "Canceled—Lost," or "Canceled—Destroyed," or "Canceled—Stolen" shall be entered in column J of Form 310-A opposite the serial number of the lost, destroyed, or stolen Form 311.

SEC. 222. CANCELATION OF WHITE MARKETING CARDS ISSUED IN ERROR.

In case any Form 311 is erroneously issued, the county committee shall cancel it in accordance with section 508 of the regulations. A copy of the notices of cancelation, other correspondence, and a memorandum of any findings of the county committee in connection with its cancelation shall be filed in the folder for the farm. The legend "Canceled" shall be entered in column J of Form 310-A opposite the serial number of the canceled Form 311. The legend "Canceled" shall be entered across the Form 311 that is canceled.

SEC. 223. RECORD OF COTTON GINNED FOR UNDERPLANTED FARMS IN CONNECTION WITH WHICH NO PRODUCER HAS CARRY-OVER PENALTY COTTON AND FOR WHICH NO RED MARKETING CARD WILL BE ISSUED.

(a) **Preparation of Form 351.**—Cotton ginned from each underplanted farm in connection with which no producer has carry-over penalty cotton and for which no red marketing card will be issued shall be recorded on Form 351 on the basis of information shown on Forms 316 and 326. Form 351 shall be executed in the original only, as follows:

1. In the spaces indicated enter the State and county code number and the consecutive sheet number of Form 351, starting with number 1, and the total number of sheets.

2. At least one column for the serial number of the gin report and at least one column for the net pounds ginned shall be allowed for each farm. **If it is indicated that more than 20 bales of cotton will be produced on the farm, as many additional columns (or sheets) as may be necessary shall be allowed for the farm.**

3. In the heading of the columns following the words "Farm Serial No." enter the farm serial numbers in consecutive order for each farm listed on Form 310-A prepared as outlined in section 219(b) of these instructions for which a white marketing card was issued.

4. In the heading of the columns following the words "Name of Operator or Producer" enter the name of the farm operator.

5. On line 29 in the column headed "Net pounds ginned" enter for each farm the amount of the farm acreage allotment. Enter the sum of such entries for the page in the margin to the right of line 29. On the last sheet of Form 351 enter the sum of the page totals.

6. On line 30 in the column headed "Net pounds ginned" enter for each farm the acreage planted to cotton in 1939. Enter the sum of such entries for the page in the margin to the right of line 30. On the last sheet of Form 351 enter the sum of the page totals.

7. In the column headed "Serial No. of gin report" enter the serial number of the gin followed by the report number of Form 316 or the printed serial number of Form 326. If the report is for a gin situated in another county, the number of the gin and report number of Form 316 shall be preceded by the code number of the State and county in which the gin is situated. For example, for the first report from gin serial No. 2 in the county enter "2-1," or for the first report from gin serial No. 3 in another county enter "74-001-3-1." If Form 316 or Form 326 for the farm covers more than one bale or item, the gin serial number and report number or the printed serial number of Form 326 shall be entered for the first item but need not be entered on the succeeding lines for the other bales or items which appear in the next column.

8. In the column headed "Net pounds ginned" enter the amount shown in column J of Form 316 or column (F) or (G) of Form 326 for the farm identified by the farm serial number and operator shown in the heading above the column. **Enter each bale or item separately on succeeding lines in the column.**

(b) **Monthly totals of cotton ginned.**—At the end of each month, the total amount of cotton ginned for the farm during the month, as shown in the column headed "Net pounds ginned" of Form 351, shall be entered in consecutive order on lines 21 through 27 thereof. Each time a subtotal is entered in the lines 21 through 27, a red line shall be drawn under the last entry in the column headed "Net pounds ginned." The subtotal so entered shall not include cotton ginned during the months which have been included in a previous subtotal. If no cotton was ginned for the month draw a line through the space for the subtotal for that month for the farm. Enter the sum of the entries for each subtotal for the page in the margin to the right of

the line. On the last sheet of Form 351 enter the sum of the page totals for the particular line. The sum of the page totals for the particular month plus the sum of the entries for the month in columns (8) through (31) of all Forms 317 must be equal to the sum of the entries for the month in column H of the county summary of Forms 316 and 326 prepared on Form 353 pursuant to sections 215(b) and 215(c) of these instructions.

(c) **Comparison of reports of cotton ginned with the producer's record.**—When it is indicated that all cotton produced on a farm has been ginned or has been harvested, the sum of the entries on lines 21 through 27 of Form 351 for each farm shall be entered on line 28 thereof. A letter shall then be forwarded to the operator of the farm requesting a report **within 15 days** of the cotton ginned and harvested from the 1939-40 crop. The letter shall state that the amount of cotton reported by the operator shall be used to verify the cotton reported by ginner and buyers and also in establishing the normal yield per acre of lint cotton for the farm in 1940. The operator shall be requested to supply the following information:

1. Whether all of the cotton produced on the farm in 1939 has been ginned.
2. The number of bales ginned.
3. The gross weight of the bales.
4. The place at which the cotton was ginned, giving the name and address of each gin.
5. The number of pounds of cotton sold in the seed from the 1939-40 crop.
6. The person to whom the seed cotton was sold.

If the county office records of cotton produced differ substantially from the operator's report, the operator shall be required to establish the fact that the report of the ginner or buyer is incorrect. The ginner or buyer shall then be requested to make a supplemental report covering the incorrect or incomplete items. The necessary corrections shall be made in lines 1 through 20 of Form 351 on the basis of the producer's record and the ginner's or buyer's supplemental reports, and the correct total shall then be entered in line 31 for the farm. This information shall be requested in each county on or before December 1, 1939, or when the ginning season in the locality is substantially complete.

(d) **Final record of cotton ginned.**—After the final net pounds produced for all farms have been determined as outlined in paragraph (c), the sum of the entries for each page of Form 351 on line 31 shall be entered in the margin to the right of line 31. On the last sheet of Form 351 enter the sum of the page totals for line 31. The sum of the page totals for line 31 of Form 351 **plus** the sum of the entries in columns (8) through (31) of all Forms 317 or the sum of the entries in columns (32) or (33) of all Forms 317 must be equal to the sum of the entries in column H of the county summary of Forms 316 and 326 prepared on Form 353 pursuant to sections 215(b) and 215(c) of these instructions. The entry on line 30 of Form 351 for each farm shall then be divided into the entry on line 31 thereof and the result entered on line 32 thereof.

F. RECORDS AND REPORTS FOR OVERPLANTED FARMS AND FARMS IN CONNECTION WITH WHICH PRODUCERS HAVE CARRY-OVER PENALTY COTTON AND FARMS FOR WHICH RED MARKETING CARDS WILL BE ISSUED

SEC. 224. REPORT ON FARM ACCOUNTS ON FORM 254.

Prior to the time any marketing cards are issued for any farm in the county, Form 350 shall be prepared and approved by the county committee and its treasurer with respect to farm accounts on Form 254 for the 1938-39 marketing year. The report on Form 350 shall also be approved by a representative of the State committee (herein referred to as "auditor") prior to the time any marketing cards are issued if this is practicable or, if not, as soon as possible after the issuance of marketing cards has been started in the county. Form 350 shall be executed in triplicate and, after approval by the county committee and its treasurer and the auditor, the original and one copy shall be forwarded to the State committee and the original thereof forwarded by it to the Regional Director and one copy shall be retained in the files of the county office. Form 350 shall be executed as follows:

1. In the spaces indicated enter the State and county code number, the name of the county, the name of the State, and the sheet number and total number of sheets.

2. In column 1 enter the 1938 farm serial number.

3. In column 2 enter the name of each producer on the farm in 1938. Enter the names of the producers on the farm on consecutive lines in the order in which they appear in column 1, part V, of Form 254. After the names of all producers on the farm have been listed, enter the word "Total" on the next succeeding line in column 1.

4. In column 3 enter the serial number of the farm on which the producer is located in 1939. If the farm on which the producer was located in 1938 and the farm on which he is located in 1939 are the same, enter the letter "S" after the farm serial number, as, for example, 52-S. If the farm on which the producer was located in 1938 and the farm on which he is located in 1939 are different, enter the letter "D" after the farm serial number, as, for example, 63-D. If a producer is located on a farm in a different county in 1939, the State and county code number for the county shall precede the farm serial number, as, for example, 74-001-63-D. If, in addition to the foregoing, any producer is interested in 1939 in more than one farm, also enter the letter "M" after the farm serial number opposite his name, as, for example, 52-S M, or 63-D M, or 74-001-63-D M, and prepare a separate listing in triplicate showing the farm serial numbers of all farms in which he has an interest in 1939 and attach a copy of the listing to each Form 350. Make no entry in column 3 opposite the word "Total" in column 1.

5. In column 4 opposite each producer's name enter the word "Over," if the farm on which he is located in 1939 is an overplanted farm, or enter the word "Under," if the farm on which he is located in 1939 is an underplanted farm. Make no entry in column 4 opposite the word "Total" in column 1.

6. In column 5 opposite the word "Total" in column 1 enter the total number of bales of cotton which the producers on the farm in 1938 had on hand at the beginning of the 1938-39 marketing year.

7. In column 6 opposite each producer's name enter the number of pounds of cotton which he had on hand on the farm in 1938 at the beginning of the 1938-39 marketing year as shown in column 3, part V, of Form Cotton 254. Enter opposite the word "Total" in column 1, the total amount of such cotton for all producers on the farm in 1938.

8. In column 7 opposite each producer's name enter his share in the actual production or the normal production, whichever is the greater, of the farm cotton acreage allotment in 1938 as shown in column 21, part VI, of Form 254 and, opposite the word "Total" in column 1, enter the total thereof for the farm as shown on line 9, column 21, part VI, of Form 254.

9. In column 8 opposite the name of each producer enter the sum of the entries opposite his name in columns 6 and 7 and, opposite the word "Total" in column 1, enter the total thereof.

10. In column 9 opposite the word "Total" in column 1 enter the total number of bales of cotton produced in 1938 on the farm. If the producers on the farm have seed cotton on hand which has not been ginned, the number of pounds of such seed cotton shall also be entered and the figure circled.

11. In column 10 opposite each producer's name enter his share in the total amount of cotton produced in 1938 on the farm as shown on line (a), column 20, part VI, of Form 254 and opposite the word "Total" in column 1, enter the total thereof for the farm as shown on line 9(a), column 20, part VI, of Form 254.

12. In column 11 opposite the word "Total" in column 1 enter the total number of bales of cotton marketed in 1938 from the farm.

13. In column 12 opposite each producer's name enter his share in the total amount of cotton marketed in 1938 from the farm as shown on line (b) in columns 8 through 20, part VI, of Form 254 and, opposite the word "Total" in column 1, enter the total thereof for the farm as shown on line 9(b), column 20, part VI, of Form 254.

14. In column 13 opposite each producer's name enter the amount of cotton marketed subject to penalty by him, which shall be the amount by which the entry in column 12 exceeds the entry in column 8 and, opposite the word "Total" in column 1, enter the total amount thereof for the farm. If the total amount of cotton produced in 1938 on the farm as shown in column 10 is not more than 1,000 pounds, the words "No penalty" shall be entered in column 13.

15. In column 14 opposite the word "Total" in column 1 enter the total number of bales of carry-over penalty cotton (including each bale, any part of which is carry-over penalty cotton) for the farm which is **not** pledged as security for a Commodity Credit Corporation loan. If the producers on the farm have carry-over penalty cotton which has not been ginned, the number of pounds of such seed cotton shall also be entered and the figure circled.

16. In column 15 opposite each producer's name enter the amount of his carry-over penalty cotton which is **not** pledged as security for a Commodity Credit Corporation loan, and opposite the word "Total" in column 1, enter the total amount thereof for the farm as it was operated in 1938. The weight of each bale of such cotton shall be taken from the ginner's report on Form 216 or from warehouse receipts and the amount of lint in seed cotton shall be estimated. **In**

each case a representative of the county office shall determine the amount of such cotton by actual inspection or by examination of warehouse receipts and shall make a memorandum in connection therewith showing the time of the inspection or examination, the place at which the cotton is stored, an identification of each bale, such as the gin bale number or mark, the weight of each bale, and the method employed in arriving at the weight of the cotton. The memorandum shall be filed in the folder for 1939 for the farm. In case the producer has an interest in more than one farm, the producer shall be requested to designate **in writing** the farm or farms in connection with which the cotton is to be marketed during the 1939-40 marketing year and **thereafter such designation shall be final and not subject to change**. The farm serial number of each farm designated for this purpose shall be entered in column 15 above the poundage figure and the serial number circled.

17. In column 16 opposite the word "Total" in column 1 enter the total number of bales of carry-over penalty-free cotton (do not include any bale a part of which is carry-over penalty cotton) for the farm which is **not** pledged as security for a Commodity Credit Corporation loan. If the producers on the farm have carry-over penalty-free cotton which has not been ginned, the number of pounds of such seed cotton shall also be entered and the figure circled.

18. In column 17 opposite each producer's name enter the amount of his carry-over penalty-free cotton which is **not** pledged as security for a Commodity Credit Corporation loan and, opposite the word "Total" in column 1, enter the total amount thereof for the farm as it was operated in 1938. The weight of each bale of such cotton shall be taken from the ginner's report on Form 216 or from warehouse receipts and the amount of lint in seed cotton shall be estimated. **In each case a representative of the county office shall determine the amount of such cotton by actual inspection or by examination of warehouse receipts and shall make a memorandum in connection therewith** showing the time of the inspection or examination, the place at which the cotton is stored, an identification of each bale, such as the gin bale number or mark, the weight of each bale, and the method employed in arriving at the weight of the cotton. The memorandum shall be filed in the folder for 1939 for the farm. In case the producer has an interest in more than one farm, the producer shall be requested to designate **in writing** the farm or farms in connection with which the cotton is to be marketed during the 1939-40 marketing year and **thereafter such designation shall be final and not subject to change**. The farm serial number of each farm designated for this purpose shall be entered in column 17 above the poundage figure and the serial number circled.

19. In column 18 opposite the word "Total" in column 1 enter the total number of bales of carry-over penalty cotton (including each bale any part of which is carry-over penalty cotton) for the farm which is pledged as security for a Commodity Credit Corporation loan.

20. In column 19 opposite each producer's name enter the amount of his carry-over penalty cotton which is pledged as security for a Commodity Credit Corporation loan and, opposite the word "Total" in column 1, enter the total amount thereof for the farm as it was

operated in 1938. The weight of each bale shall be determined on the basis of the producer's loan agreement. **In each case a representative of the county office shall determine the amount of such cotton by actual examination of the producer's loan agreement and shall make a memorandum in connection therewith** showing a description of the producer's loan agreement and of the cotton covered thereby. The memorandum shall be filed in the folder for 1939 for the farm. In case the producer has an interest in more than one farm, the producer shall be requested to designate **in writing** the farm or farms in connection with which the cotton is to be marketed during the 1939-40 marketing year and **thereafter such designation shall be final and not subject to change.** The farm serial number of each farm designated for this purpose shall be entered in column 19 above the poundage figure and the serial number circled.

21. In column 20 opposite the word "Total" in column 1 enter the total number of bales of carry-over penalty-free cotton (do not include any bale a part of which is carry-over penalty cotton) for the farm which is pledged as security for a Commodity Credit Corporation loan.

22. In column 21 opposite each producer's name enter the amount of his carry-over penalty-free cotton which is pledged as security for a Commodity Credit Corporation loan and, opposite the word "Total" in column 1 enter the total amount thereof for the farm as it was operated in 1938. The weight of each bale shall be determined on the basis of the producer's loan agreement. **In each case a representative of the county office shall determine the amount of such cotton by actual examination of the producer's loan agreement and shall make a memorandum in connection therewith** showing a description of the producer's loan agreement and of the cotton covered thereby. The memorandum shall be filed in the folder for 1939 for the farm. In case the producer has an interest in more than one farm, the producer shall be requested to designate **in writing** the farm or farms in connection with which the cotton is to be marketed during the 1939-40 marketing year and **thereafter such designation shall be final and not subject to change.** The farm serial number of each farm designated for this purpose shall be entered in column 21 above the poundage figure and the serial number circled.

23. The sum of the uncircled figures in columns 11, 14, 16, 18, and 20 must equal the sum of the uncircled figures in columns 5 and 9. If they do not agree, a satisfactory explanation signed by the producer and approved by the county committee showing the disposition of the unaccounted-for bales, such as the destruction thereof, must be attached to each copy of Form 350. The sum of the circled figures in columns 14 and 16 must equal the circled figure in column 9 or the difference satisfactorily explained as indicated above. The sum of the entries in columns 12, 15, 17, 19, and 21 must be in agreement with the sum of the entries in columns 6 and 10 with the exception of a reasonable allowance for the difference between the gin weights and the sale weights of the cotton.

24. In column 22 opposite the name of each producer enter the total amount of the penalty incurred by him which shall be the result obtained by multiplying the entry in column 13 by 2 cents.

In column 22 opposite the word "Total" in column 1 enter the total amount of the penalties incurred by all producers on the farm.

25. In column 23 opposite each producer's name enter the total amount of the money paid by or collected from him in payment of or to secure the payment of the penalty as shown on line (b), column 31, part VII, of Form 254 and, opposite the word "Total" in column 1, enter the total amount thereof for the farm as shown on line 9(b), column 31, part VII, of Form 254.

26. In column 24 opposite each producer's name enter the total amount refunded to him as shown on line (b), column 36, part VII, of Form 254 and, opposite the word "Total" in column 1, enter the total amount thereof for the farm as shown on line 9(b), column 36, part VII of Form 254.

27. In column 25 opposite each producer's name enter that part of the amount transferred from the 1938-39 cotton special deposit trust account to the special deposit account with the Treasurer of the United States in the name of the Chief Disbursing Officer of the Treasury Department (hereinafter referred to as "1939-40 special deposit account"). This amount shall consist of the following items: (i) That part of the funds held in escrow to secure payment of the penalty in connection with unmarketed cotton which was produced in 1938 in excess of the amount of the farm marketing quota; (ii) the amount of the penalty paid in connection with cotton pledged as security for a Commodity Credit Corporation loan or paid in advance of the marketing of other cotton; and (iii) the amount of any funds which otherwise would be refunded to the producer but which he has requested the county committee to hold in escrow for the 1939-40 marketing year to secure the payment of the penalty estimated to be incurred with respect to the farm on which he is located in 1939. Any other amounts collected in excess of the penalty actually incurred shall, prior to the execution of Form 350, be refunded to the producer and included in the amount shown in column 24 of Form 350. In column 25 opposite the word "Total" in column 1 enter the total of the entries therein for all producers on the farm.^{58a}

28. In column 26 opposite each producer's name enter the amount of the penalty incurred by him which has not been paid which shall be the amount by which the entry in column 22 exceeds the entry in column 27. In column 26, opposite the word "Total" in column 1, enter the amount by which the entry in column 22 opposite the word "Total" in column 1 exceeds the entry in column 27 opposite the word "Total" in column 1, and, if the entry opposite the word "Total" in column 27 is the greater or is equal thereto, enter a zero. In computing the total of column 26 for all farms in the county, include only the amounts shown therein opposite the word "Total" in column 1.

29. In column 27 opposite each producer's name enter the amount remitted to the Secretary of Agriculture which shall be the amount by which column 23 exceeds column 24. In column 27 opposite the word "Total" in column 1 enter the total amount of the penalties remitted to the Secretary of Agriculture for the farm as shown on Form 259 and in the margin to the right of column 37 of Form 254.

^{58a} See secs. 225(h) 7, 234(g), and 238(m) of these instructions.

The entries for all of the producers on the farm in column 27 must equal the entry therein opposite the word "Total" in column 1.

30. In column 28 opposite each producer's name enter the amount, if any, by which the entry in column 27 exceeds the entry in column 22 and, opposite the word "Total" in column 1, enter the total thereof for the farm.

31. In column 29 enter the date on which the farm account was reconciled as indicated above.

32. On the last line of the last sheet in column 1 enter the words "County total" and on the last line of the last sheet enter the total of all entries in columns 5 through 28.

33. Enter in the space provided after the words "Total penalties paid (column 22 minus column 26)" the result obtained by subtracting the total of column 26 for all farms, as shown opposite the words "County total" in column 1, from the total of column 22 for all farms, as shown opposite the words "County total" in column 1.

34. Enter in the space provided after the words "Balance of collections (column 23 minus columns 24, 25, and 28)" the result obtained by subtracting from the total of column 23 for all farms, as shown opposite the words "County total" in column 1, the sum of the entries in columns 24, 25, and 28 for all farms, as shown opposite the words "County total" in column 1.

35. In the event the entry in column 3 for any producer indicates that the producer is located on a farm in another county or has an interest in a farm situated in another county, a transcript of the entries appearing for him in Form 350 shall be forwarded to the treasurer of the county committee for the county in which such farm is situated.

36. After the entries on Form 350 have been made as indicated above, the report shall be examined by the county committee and its treasurer and, if found to be correct, shall be approved by not less than two members of the committee and by the treasurer thereof, by signing their names in the spaces indicated and by entering the dates on which they approved the report.

37. After the report on Form 350 has been approved by the county committee and its treasurer, the report shall be examined by the auditor and, if he finds it to be correct, the report shall be approved by him by signing his name in the space indicated and by entering the date of his signature.

SEC. 225. PREPARATION AND EXECUTION OF FORM 317.

(a) **Conditions under which Form 317 will be prepared.**—It shall be necessary to prepare Form 317 for each farm with respect to which any one or more of the exceptions referred to in section 219(a) of these instructions are or become applicable, except that a Form 317 will not be prepared for an underplanted farm in connection with which no producer has carry-over penalty cotton where exceptions 5 and 7 of section 219(a) are applicable unless and until a red marketing card for the farm is issued to the multiple farm producer. A Form 317 shall also be prepared for each farm for which a cotton acreage allotment was established but on which no cotton is planted in 1939 if cotton from a previous crop will be marketed in connection therewith and also for each person who has

cotton on hand from a previous crop but who is not located in 1939 on a farm for which a cotton acreage allotment was established.

(b) **Initial preparation of Form 317.**—Form 317 shall be prepared in the original only and placed in a binder in the numerical order of the farm serial numbers for which it is prepared. However, a copy thereof shall be furnished free to the operator of the farm at his request. Form 317 shall be executed as follows:

1. In the spaces indicated enter the farm serial number, preceded by the State and county code number, the sheet number and total number of sheets, the name of the farm operator, and the address of the farm operator. If any producer has an interest in other farms, enter the word "Multiple" above the title of Form 317. In case a bond of indemnity on Form 323 or funds to be held in escrow to secure payment of the penalty are accepted for the farm⁵⁹ or white marketing cards are issued pursuant to section 501(c)⁶⁰ or 501(d)⁶¹ of the regulations, enter the words "Bond" or "Escrow" or "1,000 pounds" or "Penalty secured," respectively, as the case may be.

2. In column (1) enter the names of all cotton producers on the farm. The names of the operator and landlord respectively shall be entered after the names of the other producers have been listed. In column (48) enter the names of all cotton producers on the farm, including the names of the operator and landlord, in the order in which they have been listed in column 1. If there are persons on the farm in 1939 who have cotton on hand from a previous crop but who are not interested in the cotton crop produced in 1939 on the farm or in the proceeds thereof, enter the names of such persons in columns (1) and (48) after the names of all producers, including the operator and landlord, have been listed.

3. In the heading of column 2 following the words "Farm acreage allotment" enter the cotton acreage allotment established for the farm for 1939.

4. In column (2) opposite each producer's name enter his share in the acreage (expressed to the nearest tenth of an acre) planted to cotton in 1939 on the farm, as shown on the report of measurements, and, on line 11, column (2), enter the total acreage planted to cotton in 1939 on the farm.⁶²

5. In the heading of column (3) following the words "Normal yield" enter the normal yield per acre of lint cotton established for the farm for 1939.

(c) **Initial apportionment of producer marketing quotas.**—Producer marketing quotas shall first be determined by executing Form 317⁶³ as follows:

1. On line 11, column (3), enter the normal production of the farm acreage allotment determined by multiplying the farm acreage allotment by the normal yield per acre of lint cotton.

2. Divide the entry on line 11, column (3), by the entry on line 11, column (2) and enter the quotient, carried to four decimal places, in the heading of column (3) following the words "Share in normal production of acreage allotment." Multiply this quotient by the

⁵⁹ See sec. 238 of these instructions.

⁶⁰ See sec. 240 of these instructions.

⁶¹ See sec. 239 of these instructions.

⁶² See sec. 401 of the regulations.

⁶³ See item (1) of sec. 304 of the regulations and sec. 237(a) of these instructions.

entries in column (2) opposite each producer's name and enter the result for each producer in column (3). The sum of the entries in column (3) must equal the amount entered on line 11, column (3).

3. If the county committee determines that the figures in column (3) are not fair and equitable producer marketing quotas because of variations in productivity, the acreage planted to cotton by each producer, crop failure, or any other cause, and redetermines the amount of the producer marketing quotas as originally shown in column (3), the entries in column (3) shall be circled and the corrected producer marketing quotas entered above the circled figures. A memorandum showing the reason for the change must be filed in the farm folder.⁶⁴

(d) **Record of cotton on hand from a previous crop.**—The amount of cotton on hand from a previous crop shall be recorded on Form 317 as follows:

1. In column (4) opposite each producer's name enter the amount of his carry-over penalty-free cotton which is **not** pledged as security for a Commodity Credit Corporation loan, and, on line 11, column (4), enter the total amount thereof for all producers on the farm.⁶⁵ If the producer was located in 1938 on a farm for which a farm account was established on Form 254, the amount of such cotton shall be taken from column 17 of Form 350.⁶⁶ If the producer was not on a farm in 1938 for which a farm account was established on Form 254, the burden of establishing the amount of such cotton shall rest on the producer and **in each case a representative of the county office shall determine the amount of such cotton by actual inspection or by an examination of warehouse receipts.** A memorandum in connection therewith shall be prepared by the county office representative showing therein the time of the inspection or examination, the place at which the cotton is stored, an identification of each bale, such as the gin bale number or mark, the weight of each bale, and the method employed in arriving at the weight of the cotton. The weight of each bale shall be taken from the ginner's report on Form 216 or from warehouse receipts and the amount of lint in seed cotton shall be estimated. **The weight of the bales as so determined shall not thereafter be changed or altered because of subsequent developments tending to show a different weight.** The memorandum shall be filed in the folder for the farm. In case the producer has an interest in more than one farm, the farm identified by the circled farm serial number in column 17 of Form 350 shall be credited with the amount of such cotton or, if the name of the producer does not appear on Form 350, he shall be requested to designate **in writing** the farm in connection with which the cotton is to be marketed and such cotton shall be credited in column (4) of the Form 317 for the farm so designated. **The designation of a farm for this purpose shall be final and not subject to change.**

2. In column (5) opposite each producer's name enter the amount of his carry-over penalty cotton which is **not** pledged as security for a Commodity Credit Corporation loan, as shown in column 15 of Form

⁶⁴ See item (4) of sec. 304 of the regulations.

⁶⁵ See item (5) of sec. 304 of the regulations.

⁶⁶ See item 18 of sec. 224 of these instructions.

350,⁶⁷ and, on line 11, column (5) enter the total amount thereof for all producers. **The weight of the bales so determined shall not be increased or decreased because of subsequent conditions which may tend to show a different weight.** In case the producer has an interest in more than one farm, the farm identified by the circled farm serial number in column 15 of Form 350 shall be credited with the amount of such cotton in column (5) of Form 317 prepared for the designated farm.

3. In column (6) opposite each producer's name enter the amount of his carry-over penalty-free cotton which is pledged as security for a Commodity Credit Corporation loan and, on line 11, column (6), enter the total amount thereof for all producers on the farm. If the producer was located in 1938 on a farm for which a farm account was established on Form 254, the amount of such cotton shall be taken from column 21 of Form 350.⁶⁸ If the producer was not on a farm in 1938 for which a farm account was established on Form 254, the burden of establishing the amount of such cotton shall rest upon the producer and in each case a representative of the county office shall determine the amount of such cotton by examination of the producer's loan agreement. A memorandum in connection therewith shall be prepared by the county office representative showing therein a description of the producer's loan agreement and of the cotton covered thereby. **The weight of the bales so determined shall not thereafter be increased or decreased because of subsequent conditions which may tend to show a different weight.** The memorandum shall be filed in the folder for the farm. In case the producer has an interest in more than one farm, the farm identified by the circled farm serial number in column 21 of Form 350 shall be credited with the amount of such cotton or, if the name of the producer does not appear on Form 350, he shall be requested to designate **in writing** the farm in connection with which the cotton is to be marketed and such cotton shall be credited in column (6) of the Form 317 for the farm so designated. **The designation of a farm for this purpose shall be final and not subject to change.**

4. In column (7) opposite each producer's name enter the amount of his carry-over penalty cotton which is pledged as security for a Commodity Credit Corporation loan, as shown in column 19 of Form 350,⁶⁹ and on line 11, column (7) enter the total amount thereof for all producers. In case the producer has an interest in more than one farm, the farm identified by the circled farm serial number in column 19 of Form 350 shall be credited with the amount of such cotton in column (7) of Form 317 prepared for the designated farm.

5. If any cotton pledged as security for a Commodity Credit Corporation loan is withdrawn from the loan, the amount previously entered in column (6) or column (7) shall be circled, and the balance of the cotton which was not withdrawn shall be entered above the circled figure. The corresponding figures in column (4) or column (5) shall be circled, and the increased amount shall be entered above the circled figure.⁷⁰

⁶⁷ See item 16 of sec. 224 of these instructions.

⁶⁸ See item 22 of sec. 224 of these instructions.

⁶⁹ See item 20 of sec. 224 of these instructions.

⁷⁰ See, in this connection, sec. 504 of the regulations and sec. 225(g)23, sec. 225(q), sec. 225(s), and sec. 230 of these instructions.

(e) **Record of cotton ginned.**—The record of cotton ginned for the farm shall be recorded on Form 317 as follows:

1. In the column headed "Gin Reference No." of columns (8) through (30) opposite each producer's name enter the gin serial number and report number as shown on Form 354⁷¹ in the case of cotton ginned by the producer and shown on Form 316. If the cotton was sold in the seed and ginned in the name of the purchaser so that the amount thereof is shown on Form 326, the gin serial number and the report followed by the printed serial number of Form 326 shall be entered in the columns headed "Gin Reference No." of columns (8) through (30). The reference to the first Form 354 or Form 326 shall be entered in column (8), and the reference to subsequent reports shall be entered in consecutive order in the columns headed "Gin Reference No." of columns (10) through (30).

2. In the columns headed "Net pounds ginned" of columns (9) through (31) opposite each producer's name enter the amount shown opposite his name in column (s) of Form 354 or, in case the cotton was sold in the seed and ginned in the name of the purchaser, the amount shown opposite his name in column (F) or column (G) of Form 326. The entries in the columns headed "Net pounds ginned" shall agree with the corresponding reference to the report entered in the preceding column headed "Gin Reference No." Form 354 for each period during which any cotton is ginned for the farm and for each gin at which the cotton was ginned shall be prepared as follows:

- a. In the spaces indicated enter the State and county code and farm serial number and the gin serial number and report number.
- b. In column (a) enter the name of each producer on the farm by or for whom cotton was ginned during the period covered by the report. The name of the operator and the landlord, respectively, shall be entered on the last two lines in column (a). If the lines on a single sheet of Form 354 are not sufficient to list the names of all producers on the farm, the name of the operator and landlord, respectively, shall be entered on the last two lines of each sheet of Form 354.
- c. In column (b) opposite the name of each producer enter the fractional share of the landlord in the cotton grown by the producer.
- d. In column (c) opposite the name of each producer enter the fractional share of the operator in the cotton grown by the producer.
- e. In column (d) opposite the name of each producer enter his fractional share in the cotton grown by him.
- f. In the heading of columns (e) through (r), following the words "Bale No.," enter in consecutive order the gin bale number or mark of each bale of cotton produced on the farm which is covered by the ginner's report.
- g. In the heading of columns (e) through (r), following the words "Net Lbs.," enter the net weight of the bale of cotton

⁷¹ See item 2 below of this paragraph. In cases where there is only one producer on the farm or in cases where there is only one producer unit on the farm, it is not necessary to transcribe on Form 354 the information appearing on Form 316, unless the county office desires a record on Form 354. In such cases, the information on Form 316 shall be posted directly to Form 317.

identified by the gin bale number or mark entered in the heading of the column.

- h.* In columns (e) through (r) opposite each producer's name enter his share in the net weight of the bale of cotton identified by the bale number appearing in the heading of the column.
- i.* After all cotton produced on the farm as shown on the ginner's report has been recorded as indicated above, the sum of the entries in columns (e) through (r) shall be entered in column (s) opposite each producer's name.
- j.* In the heading of column (s), following the word "Total," enter the sum of the entries in the heading of columns (e) through (r) following the words "Net lbs."

3. After all of the cotton grown by or for any producer has been ginned, the sum of the entries in the columns headed "Net pounds ginned" of columns (9) through (31) shall be entered in column (32). After the cotton grown by or for all producers on the farm has been ginned, the sum of the entries in column (32) shall be entered on line 11 of column (32) on the last sheet.

4. After the reports of cotton ginned for any period, that is, from the first through the fifteenth and from the sixteenth through the last day of each month, as shown on Forms 316 and 326 have been recorded on Form 317, the total amount thereof for the farm shall be entered on line 12 of the columns headed "Net pounds ginned" of columns (9) through (31). The total for the first period during which any cotton was ginned for the farm shall be entered on line 12 column (9), and the total for each succeeding period shall be entered in consecutive order in the columns headed "Net pounds ginned" of columns (11) through (31). On line 12 in the preceding column headed "Gin Reference No." enter the last day of the period, as, for example, 8-15-39 on line 12. In the column headed "Net pounds ginned," immediately beneath the total for the period, enter the *cumulative* total of all cotton ginned for the farm during all of the periods. On line 13 in the column headed "Gin reference No." immediately beneath the entry showing the last day of the period, enter the average yield per acre of lint cotton for the farm as of that date determined by dividing the entry on line 13 of the succeeding column headed "Net pounds ginned" by the entry shown on line 11 of column (2). On line 13 of column (33) enter the average yield per acre of lint cotton for the farm determined by dividing the entry on line 11 of column (33) by the planted acreage as shown on line 11 of column (2).

5. After all cotton produced on the farm in 1939 has been marketed, or March 1, 1940, whichever is the earlier, the farm operator shall be requested to examine the entries in column (32) to determine whether (i) all cotton produced on the farm as shown by his records has been reported by the ginner on Forms 316 and 326, and (ii) the share of each producer in the total amount of cotton produced on the farm in 1939 is correctly shown. If the entries appearing in column (32) are correct, the figures shall be entered in column (33). If the figures are not correct, the records of the farm operator and of the county office shall be reconciled and the farm operator and the county committee shall make any corrections necessary and enter the correct amount for each producer and for the farm in column (33). If

Form 316 or Form 326 do not include all of the cotton as shown by the records of the farm operator, or include a greater amount, a supplemental report from the ginner or buyer, as the case may be, shall be requested from him and the increase or decrease in the production claimed shall be made only after the ginner or buyer has made the supplemental report showing that according to his records the previous Form 316 or Form 326 were incomplete.⁷²

(f) **Intermediate reapportionments of producer marketing quotas.**—In making intermediate reapportionments of producer marketing quotas in columns (34) through (39) of Form 317 the following procedure is applicable:⁷³

1. In column (34) for each producer on the farm who, at the time of the reapportionment, has completed the ginning of all cotton produced in 1939 by or for him on the farm and whose share in the cotton produced is equal to or less than the amount of his share in the normal production of the farm acreage allotment enter the sum of the following: (i) The amount of his share in the cotton produced in 1939 on the farm as shown in column (33), and (ii) the amount of the carry-over penalty cotton, up to but not in excess of the difference between his share in the cotton produced in 1939 on the farm and his share in the normal production of the acreage allotment as shown in column (3), which has actually been marketed by or for him at the time of the reapportionment. **Comment:** A producer, for example, at the time of the reapportionment has marketed 3,000 pounds of cotton. His share in the total production in 1939 on the farm is 1,500 pounds and he had on hand at the beginning of the 1939-40 marketing year 500 pounds of carry-over penalty-free cotton and 1,000 pounds of carry-over penalty cotton. His share in the normal production of the farm acreage allotment was 2,000 pounds and consequently a red marketing card for his producer marketing quota of 2,500 pounds (share in the normal production of the farm acreage allotment plus the amount of carry-over penalty free cotton) was issued to him together with a blue marketing card for the 1,000 pounds of carry-over penalty cotton. A penalty of \$10 at the rate of 2 cents per pound on 500 pounds has been paid by him. Under the facts of this example 2,000 pounds would be entered in column (34), that is, the amount of cotton produced plus the amount of carry-over penalty cotton actually marketed up to but not in excess of the difference between the amount of the cotton produced and the producer's share in the normal production of the farm acreage allotment.

2. Multiply the farm acreage allotment as shown in the heading of column (2) by the average yield per acre of the acreage planted to cotton in 1939 on the farm as shown on line 13 of the columns headed "Gin Reference No." of columns (8) through (30) for the latest period covered by ginners' reports and enter the result so obtained on line 11 of column (35).⁷⁴

3. Subtract the sum of the entries in column (34) from the entry on line 11 of column (35) but do not enter the result at this time on Form 317.⁷⁵

⁷² See secs. 210, 211, 215, and 226 of these instructions.

⁷³ See items (2) and (3) of sec. 304 of the regulations and sec. 237(b) of these instructions.

⁷⁴ See also sec. 225(e)4 of these instructions.

⁷⁵ The results will be entered on Form 317 in the manner outlined in item 8 of this paragraph.

4. Subtract the sum of the entries in column (3) for each producer for whom an entry appears in column (34) from the entry on line 11 of column (3) but do not enter the result at this time on Form 317.⁷⁵

5. Divide the result obtained in item 3 above by the result obtained in item 4 above, but do not enter the result at this time on Form 317.⁷⁵

6. Multiply the quotient, carried to four decimal places obtained in item 5 above by the entry in column (3) for each producer for whom **no** entry appears in column (34) but do not enter the results at this time on Form 317.⁷⁵

7. If the product obtained in item 6 above for any producer who, at the time of the reapportionment, has completed the ginning of all cotton produced in 1939 by or for him on the farm, is in excess of the entry in column (33) opposite his name, the entry for the producer in column (33) shall be entered in columns (34) and (35) and circle the entry in column (35) and the calculations described in items 3 through 6 above shall be repeated until the product obtained in item 6 above is not in excess of the entry in column (33) for any producer who has completed the ginning of all cotton produced in 1939 by or for him on the farm and for whom no entry appears in column (34).

8. If, as a result of the calculations made as outlined in items 3 through 7 above, the entry in column (33) for all producers who have completed the ginning of all cotton produced in 1939 by or for them on the farm and for whom no entries appear in column (34) is not in excess of the product obtained as a result of the calculations outlined in item 6 above, the results of the calculations made as outlined in items 3 through 7 above shall be entered on Form 317 as follows: (i) enter on line 12 of column (35) the sum of all entries in column (34) and enter the result obtained under item 3 above on line 13 of column (35); (ii) enter on line 12 of column (3) the sum of the entries in column (3) for each producer for whom an entry appears in column (34) and enter the result obtained under item 4 above on line 13 of column (3); (iii) enter in the heading of column (35) the result obtained under item 5 above; (iv) enter in column (35) for each producer for whom **no** entry appears in column (34) the result obtained under item 6 above; and (v) the sum of the uncircled entries in column (35) must equal the entry on line 13 thereof.

9. Draw a line opposite each entry in column (34) from columns (35) through (45) and enter in column (46) the amounts entered in column (34), except that if there is a circled entry in column (35) pursuant to 7 above, draw a line from columns (37) through (45) and enter in column (46) the circled amounts in column (35).

10. If no entries are made in column (34) for any producer on the farm,⁷⁶ multiply the farm acreage allotment as shown in the heading of column (2) by the average yield per acre of the acreage planted to cotton in 1939 on the farm as shown on line 13 of the column headed "Gin Reference No." of columns (8) through (30) for the latest period covered by gin reports for the farm⁷⁷ and enter the result so obtained on line 11 of column (35). Divide the entry on line 11 of column (35) by the entry on line 11 of column (3) and enter the quotient, carried to four decimal places, in the heading of column

⁷⁵ The results will be entered on Form 317 in the manner outlined in item 8 of this paragraph.

⁷⁶ See items 1 and 7 of this paragraph.

⁷⁷ See also sec. 225(e)4 of these instructions.

(35). Multiply the figure in the heading of column (35) by the entry in column (3) for each producer and enter the results in column (35) opposite the producers' names. The sum of the entries in column (35) must agree with the total on line 11 of column (35).

11. If the county committee determines that the apportionment of the farm marketing quota among the producers on the farm as shown in column (35) is not fair and equitable and adjusts the amounts thereof as provided in item 4, section 304 of the regulations, the entries previously made in columns (35) and (46) shall be circled and the revised amounts for each producer entered above the circled figures.

12. In column (36) enter the amount by which the entry in column (35) for each producer exceeds the entry in column (3).

13. In making a second intermediate apportionment, the procedure outlined in items 1 through 12 above shall be followed with the exception that the entries required thereby to be made on lines 12 and 13 respectively of column (3) shall be entered on lines 12 and 13 of column (37) and columns (37), (38), and (39), respectively shall be used in lieu of columns (34), (35), and (36).

(g) **Final reapportionment of producer marketing quotas.**—In making a final reapportionment of producer marketing quotas in columns (40) through (47) of Form 317 the following procedure is applicable:⁷⁸

1. In column (40) opposite each producer's name enter the amount of his share in the cotton produced in 1939 on the farm as shown in column (33) with the exception that, if an intermediate apportionment was made,⁷⁹ make no entry in column (40) for any producer for whom an entry appears in column (46). Enter the total of the entries in column 40 on line 11 thereof.

2. On line 11 of column (41) enter the greater of the following: (i) the result obtained by multiplying the actual average yield per acre of the planted acreage as shown on line 13 of column (33) by the cotton acreage allotment as shown in the heading of column (2), or (ii) the result obtained by multiplying the normal yield as shown in the heading of column (3) by the cotton acreage allotment.⁸⁰

3. On line 12 of column (41) enter the sum of the entries in column (46).

4. On line 13 of column (41) enter the amount by which the entry on line 11 thereof exceeds the entry on line 12 thereof.

5. In the heading of column (41) enter the quotient (carried to four decimal places) obtained by dividing the entry on line 13 of column (41) by the entry on line 11 of column (40).

6. In column (41) opposite the name of each producer for whom an entry in column (40) appears enter the products obtained by multiplying the entry in the heading of column (41) by each of the entries in column (40). The sum of the entries so made must equal the entry on line 13 of column (41).

7. If the entry in column (41) for any producer is less than the largest of the entries in columns (3), (35), or (38), enter in column (46) for such producer, the largest of the entries in columns (3),

⁷⁸ See items (2) and (3) of sec. 304 of the regulations and sec. 237(c) of these instructions.

⁷⁹ See sec. 225(f) of these instructions.

⁸⁰ See secs. 301(b) and 301(c) of the regulations.

(35), or (38) with the exception that, if the entry in column (33) is smaller than the largest of such entries, the entry in column (46) shall be the entry in column (33) plus the amount of any carry-over penalty cotton marketed by such producer at the time of the final apportionment, provided that in no event shall the entry in column (46) exceed the largest of the entries in columns (3), (35), or (38).⁸¹

8. If the entry in column (41) for any producer is in excess of the entry in column (33) plus the amount of carry-over penalty cotton marketed at the time of the final reapportionment, enter in column (46) the amount in column (33) plus the amount of carry-over penalty cotton marketed.⁸¹

9. If **no** adjustments are made as outlined in items 7 and 8 above, enter in column (46) for each producer the amount shown opposite his name in column (41).

10. If **adjustments are made as outlined in items 7 and 8 above**, enter in column (42) the amount shown in column (40) for each producer for whom **no** entry appears in column (46) and enter the sum of such entries on line 11 thereof.

11. On line 11 of column (43) enter the amount from line 11 of column (41).

12. On line 12 of column (43) enter the sum of the entries in column (46).

13. On line 13 of column (43) enter the amount of which the entry on line 11 thereof exceeds the entry on line 12 thereof.

14. Divide the entry on line 13 of column (43) by the entry on line 11 of column (42) and enter the quotient (carried to four decimal places) in the heading of column (43).

15. Multiply the result obtained under item 14 above by each of the entries in column (42) and enter the products in column (43).

16. If the entry in column (43) for any producer is less than the largest of the entries in columns (3), (35), and (38) enter in column (46) for such producers, the largest of the entries in columns (3), (35), and (38) with the exception that, if the entry in column (33) is smaller than the largest of such entries, the entry in column (46) shall be the entry in column (33) plus the amount of any carry-over penalty cotton marketed by such producer at the time of the final reapportionment, provided that in no event shall the entry in column (46) exceed the largest of the entries in columns (3), (35), and (38) for such producer.⁸²

17. If the entry in column (43) for any producer is in excess of the entry in column (33), plus the amount of carry-over penalty cotton marketed at the time of the final reapportionment, enter in column (46) the amount in column (33) plus the amount of carry-over penalty cotton marketed.⁸²

18. If **no** adjustments are made as outlined in items 16 and 17 above enter in column (46) for each producer the amount shown opposite his name in column (43).

19. If adjustments are made as outlined in items 16 and 17 above, the procedure outlined in items 11 through 18 shall be followed, with

⁸¹ See the next to the last sentence in item (2) and the last sentence in item (3) of sec. 304 of the regulations and sec. 237(c) of these instructions.

⁸² See the next to the last sentence in item (2) and the last sentence in item (3) of sec. 304 of the regulations.

the exception that colmuns (44) and (45), respectively, shall be used in lieu of columns (42) and (43).

20. If adjustments are made as outlined in items 16 and 17 above for any producers for whom an entry appears in column (45), the procedure outlined in items 11 through 17 shall be repeated until the products obtained as outlined in item 15 above for all producers for whom no entry appears in column (46) are not affected by the adjustments required under items 16 and 17 above, or until an entry has been made for each producer in column (46) as outlined in items 16 and 17 above. The final products obtained as outlined in item 15 above shall then be entered in column (46) for all producers for whom no entry appears in column (46).

21. If **adjustments are made** as outlined in items 16 and 17 above for **all** producers on the farm, the amount by which the sum of column (46) exceeds the entry on line 11 of column (45) shall be divided by the sum of the entries on line 11 of columns (5) and (7) and the quotient (carried to four places beyond the decimal) but not in excess of 1.0 should be multiplied by the entry shown opposite each producer's name in column 5.

22. The product obtained under item 21 above for each producer shall be added to the entry for such producer in column (46), and the sum entered on the line opposite each such producer's name immediately above the original entry in column (46). A line should be drawn through the original entry in column (46) by using a red pencil.

23. The sum of the entries in columns (4) and (46) shall be entered in column (47) for each producer. If thereafter any penalty-free cotton is withdrawn from the loan the entry in column (47) shall be circled and the amount previously entered therein plus the amount of penalty-free cotton withdrawn from the loan shall be entered above the circled figure.⁸³

24. If the county committee determines that the figures in column (46) are not fair and equitable shares in the actual or normal production of the farm acreage allotment, whichever is the greater, because of variations in productivity, the acreage planted to cotton by each producer, crop failure, or any other cause, and, as provided in item 4 of section 304 of the regulations, redetermines the shares as originally shown in column (46), the entries in columns (46) and (47) shall be circled and the redetermined producer marketing quotas entered above the circled figures. A memorandum showing the reasons for the change must be filed in the folder for the farm.

(h) **Record of cotton marketed and penalties at the rate of 3 cents.**—The record of cotton marketed subject to the penalty of 3 cents per pound and the amount which is marketed not subject to penalty shall be made on Form 317 as follows:⁸⁴

1. On line (a) in column (49) opposite each producer's name enter the printed serial number of the first Form 313 in the book of Form 313 accompanying the red marketing card issued to him. On line (b) in column (49) enter the serial number of the first Form 313 in the book of Form 313 accompanying any additional red

⁸³ See sec. 225(d) 5 of these instructions.

⁸⁴ See secs. 701, 802(a), 803, and 804(a) of the regulations.

marketing card issued to him.⁸⁵ If a bond of indemnity on Form 323 or funds to be held in escrow to secure payment of the penalty were accepted for the farm or if white marketing cards were issued to producers on the farm pursuant to sections 501(c) or 501(d) of the regulations, change the heading of columns (49) to read "Serial number of Form Cotton 311" and enter opposite the name of the producer the serial number of the white marketing card issued to him.⁸⁶

2. On line (a) in the columns headed "Reference No." of columns (50) through (62) enter the printed serial number of Form 313-b for each producer whose name appears in item 9 (or in the continuation thereof on an attached list) of the Form 313-b. The reference to the first Form Cotton 313-b covering the marketing of cotton by or for a producer shall be entered on line (a) in column (50) and the references to subsequent Form 313-b shall be entered in consecutive order on line (a) in the columns headed "Reference No." of columns (52) through (62).

3. On line (b) in the columns headed "Reference No." of columns (50) through (62) enter the printed serial number of Form 319⁸⁷ or Form 319-A⁸⁸ (in entering the serial number of Form 319-A, the entry shall be preceded by the letter "A") issued to the remitter of the penalty incurred with respect to the transaction covered by a particular Form 313-b. The printed serial number of Form 319 or Form 319-A shall be entered on lines (b) of the column headed "Reference No." in which the printed serial number of the related Form 313-b has been entered. If no penalty was incurred with respect to the transaction covered by a particular Form 313-b, no entry shall be made on line (b) of the column headed "Reference No." in which the serial number of the Form 313-b is recorded. If Form 313-b indicates that a penalty was incurred, that is, an entry appears in item 5 thereof, and the amount of the penalty has **not** been remitted, no entry shall be made on line (b) of the column headed "Reference No." in which the printed serial number of Form 313-b is recorded and the serial number of Form 313-b on line (a) thereof shall be circled in **red**.⁸⁹ If the penalty is subsequently remitted, the printed serial number of the Form 319 shall be entered on line (b) in the manner outlined above.

4. On line (a) in the columns headed "Amount" of columns (51) through (63) enter for each producer the number of pounds shown opposite his name in item 9 (or in the continuation thereof on an attached list) of Form 313-b. The number of pounds shown on the first Form 313-b covering the marketing of cotton by or for a producer shall be entered on line (a) of column (51), and the number of pounds covered by subsequent Form 313-b shall be entered in consecutive order on line (a) in the columns head "Amount" of columns (53) through (63).⁹⁰

⁸⁵ See secs. 228, 230, and 231 of these instructions.

⁸⁶ See secs. 238, 239, and 240 of these instructions and secs. 501(b), 702, and 707 of the regulations.

⁸⁷ See sec. 706(a) of the regulations and sec. 234(b) of these instructions.

⁸⁸ See secs. 705(c) and 706(a) of the regulations and sec. 234(e) of these instructions.

⁸⁹ In this connection see also secs. 235 and 236 of these instructions.

⁹⁰ See secs. 603, 802(a)(3), 802(a)(4), 802(a)(7), 803, and 804(a) of the regulations and sec. 233(a) of these instructions.

5. On line (b) in the columns headed "Amount" of columns (51) through (63) opposite the name of each producer having an interest in the cotton marketed, enter the amount collected as the penalty with respect to the transaction covered by a particular Form 313-b. If only one producer had an interest in the cotton marketed, the amount of the penalty collected shall be entered from item 6 of Form 313-b. If more than one producer had an interest in the cotton marketed and only a portion thereof was marketed subject to penalty, the amount of the penalty shall be entered from the related Form 355. If more than one producer had an interest in the cotton marketed, and all of it was marketed subject to penalty, the amount of the penalty to be entered for each producer shall be determined by multiplying by 3 cents the entry shown opposite his name in item 9 (or a continuation thereof on an attached list) of Form 313-b. The amount collected as the penalty shall be entered on lines (b) of the column headed "Amount" in which the cotton covered by the related Form 313-b has been entered.⁹¹ If no penalty was incurred with respect to the transaction covered by a particular Form 313-b, no entry shall be made on line (b) of the column headed "Amount" in which the cotton covered by the Form 313-b is recorded. If Form 313-b indicates that a penalty was incurred, that is, an entry appears in item 5 thereof, and the amount of the penalty has not been remitted, no entry shall be made on line (b) of the column headed "Amount" in which the cotton covered by Form 313-b is recorded until the penalty is remitted.⁹²

6. If an entry appears in item 5 of Form 315-b, the information appearing therein in item 5 and item 6 *b* shall be recorded on lines (a) and (b) in columns (50) through (63) in accordance with the procedure outlined in items 2 through 5 above with the exception that, in recording the printed serial number of Form 315-b, the entry shall be preceded by the letter "B", and, if more than one producer has an interest in the cotton covered thereby, the poundage to be entered on line (a) in the column headed "Amount" opposite each interested producer's name shall be taken from Form 355.⁹³

7. If funds are transferred from the 1938-39 cotton special deposit trust account to the 1939-40 special deposit account which are **not** applied as funds to be held in escrow to secure payment of the estimated penalty for the 1939-40 marketing year,⁹⁴ the transfer shall be recorded as follows:

- a. On line (a) in column (50) enter the legend "T-1938."
- b. On line (b) in column (50) enter the transmittal number of Form 359 covering the amount transmitted to the State office for deposit to the credit of the 1939-40 special deposit account.
- c. Make no entry on line (a) in column (51).
- d. On line (b) in column (51) enter the amount so transferred.

8. At the close of each month, after Forms 313-b and 315-b received during the month have been recorded as outlined in items 2 through 7 above, the total amount of cotton marketed from the farm as shown on line (a) in the columns headed "Amount" of columns (51) through

⁹¹ See sec. 233(b) of these instructions.

⁹² In this connection see also secs. 235 and 236 of these instructions.

⁹³ See sec. 233(d) of these instructions.

⁹⁴ See item 27 of sec. 224 of these instructions.

(63) shall be computed and the total amount of the penalties remitted in connection therewith as shown on line (b) in the columns headed "Amount" of columns (51) through (63) shall be computed. The totals for the farm through the first month shall be recorded on lines 11(a) and 11(b), respectively, of column (51); the **cumulative** totals through the second month shall be recorded on line 11(a) and line 11(b), respectively, of column (53); and the **cumulative** totals for subsequent months shall be entered thereafter in consecutive order in the succeeding columns headed "Amount" of columns (55) through (63). On line 11(b) of the column headed "Reference No." immediately preceding each column headed "Amount" in which the cumulative totals appear there shall be entered the month through which the cumulative totals were computed.

9. After all of the cotton grown by or for any producer in 1939 on the farm *plus* the amount of any carry-over penalty-free cotton which he had on hand has been marketed, the sum of the entries on lines (a) and (b) of columns (51) through (63) shall be entered in column (64). After all of the cotton grown by or for all producers in 1939 on the farm plus the amount of any carry-over penalty-free cotton which they had on hand has been marketed, the sum of the entries in column (64) shall be entered on lines 11(a) and 11(b) of column (64). The procedure outlined in this item shall not apply to farms for which a bond of indemnity on Form 323 or funds to be held in escrow were accepted to secure payment of the penalty or for which white marketing cards were issued pursuant to section 501(c) or 501(d) of the regulations.⁹⁵

10. After all cotton on the farm has been marketed, or March 1, 1940, whichever is the earlier, the farm operator shall be requested to examine the entries in columns (50) through (64) to determine whether (i) all cotton marketed from the farm as shown by his records has been reported on Forms 313-b and 315-b, (ii) the share of each producer in the cotton marketed is correctly shown, (iii) the amount of the penalty at the rate of 3 cents per pound collected from producers on the farm has been properly remitted and is correctly shown, and (iv) the amount of the penalty at the rate of 3 cents per pound paid by or collected from each producer is correctly shown. If the figures are correct the amounts shown in column (64) for producers who have completed the marketing of all of their cotton shall be transferred to column (65). If any of the entries for any of the producers are not correct the records of the farm operator and the county committee shall be reconciled and the farm operator and the county committee shall make any corrections necessary and enter the correct amounts for each producer and for the farm. If a buyer or transferee has failed to submit a report on Form 313-b or Form 315-b or has failed to remit the amount of any penalty collected by him, the buyer or transferee, as the case may be, shall be requested to submit the reports and penalties which are in default and the correction of Form 317 in that respect shall be made only after the reports or penalties have been submitted. If the producers on the farm have not marketed all of the cotton on the farm as of March 1, 1940, the record of cotton marketed and penalties paid as adjusted at

⁹⁵ See secs. 238, 239, and 240 of these instructions.

that time shall be made on a memorandum signed by the farm operator and placed in the folder for the farm. Thereafter, the entries in columns (50) through (64) shall be examined, and, if necessary, adjusted as indicated above by the farm operator and the county committee not later than 30 days after all of the cotton is marketed or August 1, 1940, whichever is the earlier. At that time the sum of the entries for each producer appearing in the columns headed "Amount" of columns (51) through (64), as adjusted, shall be transferred to column (65) and the total amount of cotton marketed from the farm, as shown on lines (a) of column (65) shall be entered on line 11(a) thereof and the total amount of penalty collected or received for the farm, as shown on lines (b) of column (65) shall be entered on line 11(b) thereof.⁹⁶

(i) **Record of penalties at the rate of 3 cents where funds are held in escrow.**—If funds are received to be held in escrow for the 1939-40 marketing year to secure payment of the penalty estimated to be incurred during that marketing year,⁹⁷ the record of the funds deposited at the rate of 3 cents per pound on the cotton estimated to be produced in 1939 on the farm in excess of the normal production of the farm-acreage allotment shall be made on Form 317 as follows:

1. On line (a) in column (50), opposite the name of the owner or operator who deposited the funds, enter the legend "Escrow." If additional amounts are received in connection with the farm because the original amount deposited was insufficient, the word "Escrow" for each additional amount shall be entered in consecutive order in the columns headed "Reference No." of columns (52) through (62) opposite the name of the owner or operator or other producer who furnished the additional amount. If funds to secure payment of the penalty of 3 cents per pound estimated to be incurred during the 1939-40 marketing year are transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account, the legend "1938—Escrow" shall be entered in the column headed "Reference No." for the amount so transferred.⁹⁸

2. On line (b) in column (50), opposite the name of the owner or operator who deposited the funds, enter the printed serial number of Form 319 issued to him. If additional amounts are received in connection with the farm because the original amount deposited was insufficient, the printed serial number of Form 319 issued for the additional amounts shall be entered in the succeeding columns headed "Reference No." immediately preceding the column headed "Amount" in which there is recorded the amount of the funds so deposited.⁹⁹ If funds to secure payment of the penalty of 3 cents per pound are transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account, the transmittal number of Form 359 shall be entered in lieu of the printed serial number of Form 319.⁹⁸

3. On line (a) in column (51), opposite the name of the owner or operator who deposited the funds, enter the number of pounds of

⁹⁶ See sec. 804(b) of the regulations and sec. 226 of these instructions.

⁹⁷ See secs. 501(b) and 707 of the regulations and sec. 238 of these instructions.

⁹⁸ See item 27 of sec. 224 and sec. 238(m) of these instructions.

⁹⁹ See sec. 238(c) of these instructions.

cotton estimated to be produced in 1939 on the farm in excess of the normal production of the farm acreage allotment for which funds at the rate of 3 cents per pound were received. If additional amounts are received in connection with the farm because the original amount deposited was insufficient, the number of pounds of cotton on which the penalty at the rate of 3 cents per pound was received shall be entered in the succeeding columns headed "Amount" of columns (53) through (63) opposite the name of the owner or operator or producer who furnished the additional amount.¹ If funds to secure the payment of the penalty at the rate of 3 cents per pound are transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account, the number of pounds covered by the amount so transferred shall be entered **separately** on line (a) in the columns headed "Amount".²

4. On line (b) in column (51), opposite the name of the owner or operator who deposited the funds, enter the amount of the funds received to secure the estimated penalty of 3 cents per pound. If additional amounts are received in connection with the farm because the original amount deposited was insufficient, the additional amount of the penalty at the rate of 3 cents per pound shall be entered on line (b) in the succeeding columns headed "Amount" of columns (53) through (63) opposite the name of the owner or operator or producer who furnished the additional amount.¹ If funds to secure payment of the penalty at the rate of 3 cents per pound are transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account, the amount so transferred shall be entered **separately** on line (b) in the columns headed "Amount".²

(j) **Record of penalties at the rate of 3 cents where a bond was accepted.**—If a bond of indemnity on Form 323 was accepted to secure payment of the penalty estimated to be incurred for the farm,³ the record of the penalty paid at the rate of 3 cents per pound shall be made on Form 317 as follows:

1. On line (a) in column (50), opposite the name of the owner or operator who executed the bond as principal, enter the legend "Bond." If more than one remittance of the penalty is made, the word "Bond" shall be entered for the second and subsequent payments on line (a) in the succeeding columns headed "Reference No." of columns (52) through (62).

2. On line (b) in column (50), opposite the name of the owner or operator who executed the bond as principal, enter the printed serial number of Form 319 issued to the remitter of the penalty. If more than one remittance of the penalty is made, the printed serial number of the Form 319 issued for the second and each subsequent remittance shall be entered on line (b) in the succeeding columns headed "Reference No." of columns (52) through (62).

3. On line (a) in column (51), opposite the name of the owner or operator who executed the bond as principal, enter the number of pounds of cotton for which the penalty at the rate of 3 cents per pound was received. If more than one remittance of the penalty is

¹ See sec. 238(c) of these instructions.

² See item 27 of sec. 224 and sec. 238(m) of these instructions.

³ See secs. 501(b) and 707 of the regulations and sec. 238 of these instructions.

made, the number of pounds of cotton for which the second and each subsequent remittance is received shall be entered on line (a) in the columns headed "Amount" of columns (53) through (63) opposite the name of the owner or operator who executed the bond as principal if the remittance is made by the principal or sureties, or opposite the name of the producer if the remittance was made by him instead of the principal or sureties.^{3a}

4. On line (b) in column (51), opposite the name of the owner or operator who executed the bond as principal, enter the amount of the penalty paid at the rate of 3 cents per pound. If more than one remittance of the penalty is made at the rate of 3 cents per pound, the amount thereof for the second and each subsequent remittance shall be entered on line (b) in the columns headed "Amount" of columns (53) through (63) opposite the name of the operator or owner who executed the bond as principal if the remittance is made by the principal or sureties, or opposite the name of the producer if the remittance was made by him instead of the principal or sureties.

(k) **Record of penalties paid at the rate of 3 cents where white marketing cards were issued pursuant to section 501(c) or 501(d) of the regulations.**—If a white marketing card was issued to the producers on a farm pursuant to section 501(c) or section 501(d) of the regulations and a penalty with respect to the marketing of cotton in connection with the farm is incurred, the record of each payment of the penalty incurred at the rate of 3 cents per pound shall be made in columns (50) through (63) of Form 317 in the manner outlined in paragraph (j) of this section, with the exception that the legend "501(c)" or "501(d)," as the case may be, shall be entered in lieu of the legend "Bond" on line (a) in the columns headed "Reference No." of columns (50) through (62).

(1) **Record of carry-over penalty cotton marketed and penalties paid.**—Where cotton is marketed subject to the penalty of 2 cents per pound,⁴ a record thereof shall be made on Form 317 as follows:

1. On line (a) in column (66) opposite each producer's name enter the printed serial number of the first Form 315 in the book of Forms 315 accompanying the blue marketing card issued to him. On line (b) in column (66) enter the serial number of the first Form 315 in the book of Forms 315 accompanying any additional blue marketing card issued to him.⁵ If a bond of indemnity on Form 323, or funds to be held in escrow to secure payment of the penalty were accepted for the farm or if white marketing cards were issued to producers on the farm pursuant to section 501(c) or 501(d) of the regulations, make no entry in column (66).⁶

2. On line (a) in the columns headed "Reference No." of columns (67) through (71) enter the printed serial number of Form 315-b for each producer whose name appears in item 9 (or in the continuation thereof on an attached list) of the Form 315-b. The reference to the first Form 315-b covering the marketing of cotton by or for a producer shall be entered on line (a) in column (67) and the reference

^{3a} See sec. 238(h) of these instructions.

⁴ See sec. 701 of the regulations.

⁵ See secs. 503 and 504 of the regulations and secs. 229, 230, and 231 of these instructions.

⁶ See secs. 238, 239, and 240 of these instructions.

to subsequent Form 315-b shall be entered in consecutive order on line (a) in columns (69) and (71).

3. On line (b) in columns headed "Reference No." of columns (67) through (71) enter the printed serial number of Form 319⁷ or Form 319-A⁸ (in entering the serial number of Form 319-A the entry shall be preceded by the letter A) issued to the remitter of the penalty incurred with respect to the transaction covered by a particular Form 315-b. The printed serial number of Form 319 or Form 319-A shall be entered on line (b) of the column headed "Reference No." in which the printed serial number of the related Form 315-b has been entered. If the penalty at the rate of 2 cents per pound incurred with respect to the transaction has **not** been remitted no entry shall be made on line (b) of the column headed "Reference No." in which the printed serial number of Form 315-b is recorded and the serial number of Form 315-b on line (a) thereof shall be circled in **red**.⁹ If the penalty is subsequently remitted the printed serial number of Form 319 issued to the remitter shall be entered in line (b) in the manner indicated above.

4. On line (a) in the columns headed "Amount" of columns (68) through (72) enter, if only one producer has an interest in the cotton marketed, the smaller of the amounts shown in item 2 or item 3 of Form 315-b or, if more than one producer had an interest in the cotton marketed, the amount shown opposite each producer's name on the related Form 355.¹⁰ The number of pounds of cotton shown on the first Form 315-b in either item 2 or 3 thereof, covering the marketing of cotton by or for a producer shall be entered on line (a) of column (68) and the number of pounds covered by subsequent Form 315-b shall be entered in consecutive order on line (a) in columns (70) and (72).

5. On line (b) in the columns headed "Amount" of columns (68) through (72) enter the amount of penalty at the rate of 2 cents per pound with respect to the transaction covered by a particular Form 315-b as shown in item 6 *a* thereof, if only one producer had an interest in the cotton marketed, or, if more than one producer had an interest in the cotton marketed, as shown on the related Form 355.¹⁰ The amount collected as the penalty shall be entered on line (b) of the column headed "Amount" in which the amount of cotton covered by the related Form 315-b has been entered. If the penalty of 2 cents per pound incurred with respect to the transaction has not been remitted no entry shall be made on line (b) of the column headed "Amount" in which the amount of cotton covered by Form 315-b is recorded until the amount of the penalty is remitted.

6. At the close of each month, after Forms 315-b received during the month have been recorded as outlined in items 2 through 5 of this paragraph, the total amount of cotton marketed from the farm subject to the penalty of 2 cents per pound as shown on line (a) in the column headed "Amount" of columns (68) through (72) shall be computed and the total amount of the penalties at the rate of 2 cents per pound remitted in connection therewith as shown on line (b) in the columns headed "Amount" of columns (68) through (72) shall be

⁷ See sec. 706(a) of the regulations and sec. 234(b) of these instructions.

⁸ See secs. 705(c) and 706(a) of the regulations and sec. 234(e) of these instructions.

⁹ In this connection see secs. 235 and 236 of these instructions.

¹⁰ See secs. 233(c) and 233(d) of these instructions.

computed. The totals for the farm through the first month shall be recorded on lines 11(a) and 11(b), respectively, of column (68) and the **cumulative** totals through subsequent months shall be entered thereafter in consecutive order in columns (70) and (72). On line 11(b) of the column headed "Reference No." immediately preceding each column headed "Amount" in which the totals appear there shall be entered the month through which the totals were computed.

7. After all of the cotton subject to the penalty of 2 cents per pound for any producer on the farm has been marketed, the sum of the entries on lines (a) and (b) in the columns headed "Amount" of columns (68) through (72) shall be entered in column (73). After all of the cotton subject to the penalty of 2 cents per pound on the farm has been marketed, the sum of the entries in column (73) shall be entered on lines 11(a) and 11(b) of column (73). The procedure outlined in this item shall not apply to farms for which a bond of indemnity on Form 323 or funds to be held in escrow were accepted to secure the payment of the penalty or for which white marketing cards were issued pursuant to section 501 (d) of the regulations.¹¹

8. After all cotton on the farm has been marketed, or March 1, 1940, whichever is the earlier, the farm operator shall be requested to examine the entries in columns (67) through (73) to determine whether (i) all cotton marketed subject to the penalty of 2 cents per pound from the farm as shown by his records has been reported on Form 315-b, (ii) the share of each producer in the carry-over penalty cotton marketed is correctly shown, (iii) the amount of the penalty at the rate of 2 cents per pound collected from producers on the farm has been properly remitted and is correctly shown, and (iv) the amount of the penalty at the rate of 2 cents per pound paid by or collected from each producer is correctly shown. If the figures are correct, the amounts entered in column (73) for the producers who have completed the marketing of all of their carry-over penalty cotton shall be transferred to column (74). If any of the entries for any of the producers are not correct, the records of the farm operator and of the county committee shall be reconciled and the farm operator and county committee shall make any correction necessary and enter the correct amounts for each producer and for the farm. If the buyer or transferee has failed to remit the amount of any penalty collected by him, the buyer or transferee, as the case may be, shall be requested to submit the reports and penalties which are in default and the correction on Form 317 in that respect shall be made only after the reports or the penalties have been submitted. If the producers on the farm have not marketed all of their carry-over penalty cotton as of March 1, 1940, the record of the cotton marketed and penalties paid at the rate of 2 cents per pound shall be made on a memorandum and signed by the farm operator and placed in the folder for the farm. Thereafter, the entries in columns (67) through (73) shall be examined and, if necessary, adjusted as indicated above by the farm operator and the county committee not later than 30 days after all of the cotton is marketed or August 1, 1940, whichever is the earlier. At that time the sum of the entries for each producer appearing in the columns headed "Amount" of columns (68) through (73) as adjusted shall be transferred to column (74) and the total amount of cotton marketed

¹¹ See secs. 238 and 239 of these instructions.

subject to the penalty of 2 cents from the farm by all producers as shown on lines (a) of column (74) shall be entered on line 11(a) thereof and the total amount of penalty collected or received from the farm in connection therewith as shown on lines (b) of column (74) shall be entered on line 11 (b) thereof.¹²

(m) **Record of penalties paid at the rate of 2 cents per pound where funds are held in escrow.**—If funds are received to be held in escrow for the 1939-40 marketing year to secure payment of the penalty estimated to be incurred during that marketing year,¹³ the record of the funds deposited at the rate of 2 cents per pound on the amount of carry-over penalty cotton to be marketed in connection with the farm shall be recorded on Form 317 as follows:

1. On line (a) in column (67) opposite the name of the owner or operator who deposited the funds, enter the legend "Escrow." If funds to secure payment of the penalty estimated to be incurred during the 1939-40 marketing year are transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account, the legend "1938-Escrow" shall be entered in lieu thereof.¹⁴

2. On line (b) in column (67), opposite the name of the owner or operator who deposited the funds, enter the printed serial number of the Form 319 issued to him.¹⁵ If funds to secure payment of the penalty are transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account, the transmittal number of Form 359 shall be entered in lieu thereof.

3. On line (a) in column (68) opposite the name of the owner or operator as the case may be, enter the number of pounds of carry-over penalty cotton for which funds at the rate of 2 cents per pound were received.¹⁵ If funds to secure payment of the penalty at the rate of 2 cents per pound are transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account, the number of pounds of carryover penalty cotton covered by the amount so transferred shall be entered separately in line (a) in the columns headed "Amount."¹⁴

4. On line (b) in column (68) enter the amount of funds received to secure the estimated penalty of 2 cents per pound with respect to carryover penalty cotton on the farm or the amount transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account.

(n) **Record of penalties paid at the rate of 2 cents per pound where a bond was accepted.**—If a bond of indemnity on Form 323 was accepted to secure payment of the penalty estimated to be incurred for the farm¹⁶ the record of penalty paid at the rate of 2 cents per pound with respect to carryover penalty cotton shall be made on Form 317 as follows:

1. On line (a) in column (67), opposite the name of the owner or operator who executed the bond as principal, enter the legend "Bond." If more than one remittance of the penalty is made, the word "Bond" shall be entered for the second and subsequent payments on line (a) in column (69) or (71).

¹² See sec. 804(b) of the regulations and sec. 226 of these instructions.

¹³ See secs. 501(a) and 707 of the regulations and sec. 238 of these instructions.

¹⁴ See item 27 of sec. 224 and sec. 238(m) of these instructions.

¹⁵ See sec. 238(c) of these instructions.

¹⁶ See secs. 501(b) and 707 of the regulations and sec. 238 of these instructions.

2. On line (b) in column (67), opposite the name of the owner or operator who executed the bond as principal, enter the printed serial number of Form 319 issued to the remitter of the penalty. If more than one remittance of the penalty is made, the printed serial number of Form 319 issued for the second and subsequent remittances shall be entered on line (b) in either column (69) or (71).

3. On line (a) in column (68), opposite the name of the owner or operator who executed the bond as principal, enter the number of pounds of cotton for which the penalty at the rate of 2 cents per pound was received. If more than one remittance of the penalty is made the number of pounds of cotton for which the second and subsequent remittance is received shall be entered on line (a) in either column (70) or (72).

4. On line (b) in column (68) opposite the name of the owner or operator who executed the bond as principal, enter the amount of the penalty paid at the rate of 2 cents per pound. If more than one remittance of the penalty is made at the rate of 2 cents per pound, the amount thereof for the second and subsequent remittances shall be entered on line (b) in either column (70) or (72).

(o) **Record of penalties paid at the rate of 2 cents per pound where white marketing cards were issued pursuant to section 501(d) of the regulations.**—If a white marketing card was issued to the producers on a farm pursuant to section 501(d) of the regulations and a penalty with respect to the marketing of cotton in connection with the farm is incurred the record of each payment of the penalty incurred at the rate of 2 cents per pound shall be made in columns (67) through (72) of Form 317 in the manner outlined in paragraph (n) of this section, with the exception that the legend "501(d)" shall be entered in lieu of the legend "Bond" on line (a) in the columns headed "Reference No." of columns (67) through (71).

(p) **Record of total amount of cotton marketed and penalties paid.**—After the entries for all producers have been made in columns (65) and (74) of Form 317 enter on lines (a) and (b) of column (75) for each producer the sum of the entries shown opposite his name on lines (a) and (b) in columns (65) and (74). The procedure outlined in this item shall not apply to farms for which a bond of indemnity on Form 323 or funds to be held in escrow were accepted to secure payment of the penalty or for which white marketing cards were issued pursuant to sections 501(c) and 501(d) of the regulations.

(q) **Record of the amount of the penalties incurred.**—After the entries have been made in column (75) of Form 317 as outlined in paragraph (p) of this section, the amount of the penalties incurred by each producer shall be determined¹⁷ and entered on Form 317 as follows:

1. On line (a) of column (76) enter the number of pounds obtained by subtracting the entry in column (47) from the entry in column (75).

2. On line (a) of column (77) for each producer for whom carry-over penalty cotton not under the loan is shown in column (5), enter the number of pounds obtained by subtracting the entry in column (47) from the entry in column (75), except that the entry in column (77) shall not exceed the entry in column (5).

¹⁷ See secs. 701 and 709 of the regulations.

3. The entry in column (78) shall be the result obtained by subtracting from the entry in column (75) the sum of the entries in column (47) and column (77).

4. On line (b) of column (78) enter the product obtained by multiplying the entry on line (a) thereof by 3 cents.

5. On line (b) of column (77) enter the product obtained by multiplying the entry on line (a) thereof by 2 cents.

6. On line (b) of column (76) enter the sum of the entries on line (b) in columns (77) and (78).

7. The sum of the entries in columns (76), (77), and (78) shall be entered on lines 11 (a) and 11 (b) thereof.¹⁸

(r) **Determination of refunds.**—A record of the amounts which are to be refunded pursuant to section 708 of the regulations shall be made on Form 317 as follows:

1. If the entry on line (b) of column (76) for any producer is **in excess** of the entry opposite his name on line (b), column (75), enter on line (b) of column (79) the amount by which entry on line (b) of column (76) exceeds the entry on line (b) of column (75). The sum of the entries in column (79) shall be entered on line 11 (b) thereof.

2. If the entry on line (b) of column (76) for any producer is **less** than the entry opposite his name on line (b) of column (75), enter on line (b) of column (80) the amount by which the entry on line (b) of column (75) exceeds the entry on line (b) of column (76). The sum of the entries in column (80) shall be entered on line 11(b) thereof.

3. If the entries on lines 11(b) of columns (76) and (79), respectively, **are equal to or in excess of** the entries on lines (b) of columns (75) and (80), **no** refund in connection with the farm may be authorized to be made to any producer out of the funds held in the 1939-40 special deposit account. If the entries on lines (b) of columns (75) and (80), respectively, are **in excess** of the entries on lines (b) of columns (76) and (79), the amount of the excess to which each producer is entitled as a refund shall be determined as follows:

a. On line 11(a) of column (81) enter the amount by which the entry on line 11(b) of column (80), exceeds the entry on line 11(b) of column (79).

b. On line (b) of column (81), opposite the name of each producer for whom an entry appears in column (80), enter the amounts of any unpaid penalties shown in column (79) which he has paid for any producer.

c. On line 11(b) of column (81) enter the sum of the entries in column (81).

d. If the entry on line 11(b) of column (81) is equal to the entry on line 11(a) of column (81), enter on line (b) in column (82) opposite each producer's name the result obtained by

¹⁸ As a general principle, in computing the amount of the penalty incurred in marketing cotton from a farm in connection with which one or more producers have carry-over penalty cotton, it shall be presumed that the amount of cotton marketed in excess of the farm marketing quota was marketed subject to the penalty of 2 or 3 cents per pound as follows: The excess, up to the amount of carry-over penalty cotton **not** pledged as security for a Commodity Credit Corporation loan shall be presumed to have been marketed subject to the penalty of 2 cents per pound and the balance of the excess, if any, shall be presumed to have been marketed subject to the penalty of 3 cents per pound.

- subtracting the entry on line (b) of column (81) from the entry on line (b) of column (80) or, if no entry appears in column (81) for a producer, enter on line (b) of column (82) the amount shown opposite his name on line (b) in column (80). The sum of the entries in column (82) must equal the amount by which the entry on line 11(b) of column (75) exceeds the entry on line (b) of column (76).
- e. If the entry on line 11(b) of column (81) is less than the entry on line 11(a) of column (81), enter on line (a) of column (82) opposite each producer's name the result obtained by subtracting the entry on line (b) of column (81) from the entry on line (b) of column (80) or, if no entry appears in column (81) for a producer, enter on line (a) of column (82) the amount shown opposite his name on line (b) in column (80). On line 11(a) of column (82) enter the sum of the entries so made. On line 11(b) of column (82) enter the amount by which the entry on line (b) of column (75) exceeds the entry on line (b) of column (76). Divide the entry on line 11(b) of column (82) by the entry on line 11(a) of column (82) and enter the quotient, carried to four decimal places, in the heading of column (82). Multiply the quotient by each entry on line (a) in column (82) and enter the product on the succeeding line (b) in column (82). The sum of the entries on line (b) of column (82) must equal the entry on line 11(b) thereof. A line shall be drawn through each entry on line (a) of column (82) so that the entries will be canceled but not obliterated.
- f. If no entries appear in column (79), enter on line (b) in column (82) the amount shown on line (b) in column (80).
- g. In column (83) enter the voucher number of the voucher covering the amount of the refund shown in column (82).
- h. No refund shall be certified for payment unless and until the auditor has examined the records with respect to the farm and found them to be correct.**

(s) **Determination of the amount of unmarketed cotton.**—After or at the time the entries are made in columns (65) and (74) of Form 317¹⁹ and prior to the time any refunds for the producers on the farm are approved and certified,²⁰ the amount of unmarketed cotton on hand shall be determined.²¹ In order to overcome the presumption that a farmer has marketed all cotton which is shown in columns (4), (5), (6), (7), and (33) of Form 317, a representative of the county office shall determine the amount of unmarketed cotton by actual inspection of the cotton or an examination of warehouse receipts or, in cases of cotton pledged as security for a Commodity Credit Corporation loan, by an examination of the producer's loan agreement. A memorandum in connection therewith shall be prepared by the county office representative showing therein the time of the inspection or examination of the warehouse receipts or producer's loan agreement, the place at which the cotton is stored, and the identification of each bale, such as the gin bale number or mark,

¹⁹ See secs. 225(h), 225(1), and 226 of these instructions.

²⁰ See sec. 225(r) of these instructions.

²¹ See sec. 804(b) of the regulations.

the weight of each bale, and the method employed in arriving at the weight of each bale. The weight of each bale of such cotton shall be taken from the ginner's report on Form 216 or Form 316 or from warehouse receipts of the producer's loan agreement, and the amount of lint in seed cotton shall be estimated. The memorandum shall be filed in the folder for 1939 for the farm. If the amount of unmarketed cotton on hand as determined by the county office representative is less than the sum of the entries in columns (65) and (74), the figures in columns (65) and (74) shall be increased so that they will represent the difference between the amount of unmarketed cotton determined by the county office representative to be on hand and the amount of cotton shown in columns (4), (5), (6), (7), and (33). The amount of the unmarketed cotton on hand determined as indicated above shall be entered on Form 317 as follows:

1. In column (84) enter the number of pounds of cotton which if marketed would be subject to the penalty of 2 cents per pound which is pledged as security for a Commodity Credit Corporation loan.

2. In column (85) enter the amount of cotton which if marketed would be subject to the penalty of 3 cents per pound which is pledged as security for a Commodity Credit Corporation loan.

3. In column (86) enter the amount of cotton which if marketed would not be subject to a penalty which is pledged as security for a Commodity Credit Corporation loan.

4. In column (87) enter the amount of cotton which if marketed would be subject to the penalty at the rate of 2 cents per pound which is not pledged as security for a Commodity Credit Corporation loan.

5. In column (88) enter the amount of cotton which if marketed would be subject to the penalty of 3 cents per pound which is not pledged as security for a Commodity Credit Corporation loan.

6. In column (89) enter the amount of cotton which if marketed would not be subject to the penalty which is not pledged as security for a Commodity Credit Corporation loan.

(t) **Preparation of Form 317 where a marketing card is issued to a person who is not engaged in 1939 in the production of cotton.**—If no cotton is planted in 1939 on a farm for which a cotton acreage allotment was established for 1939 which has been designated as or is a farm in connection with which cotton on hand from a previous crop will be marketed, columns (1) through (7) and columns (47) through (89) of Form 317 shall be executed in the manner outlined in this section. If a person has cotton on hand from a previous crop but is not located in 1939 on a farm or is located on a farm for which a cotton acreage allotment was not established, columns (4) through (7) and columns (47) through (89) shall be executed in the manner outlined in this section.²²

SEC. 226. FARM OPERATOR'S REPORT.²³

(a) **Farms for which Form 317 was prepared.**—The operator of each farm for which a Form 317 was prepared is required by section 804(b) of the regulations to report to the Secretary of Agriculture

²² See the last sentence of sec. 502(a) and the second sentence of sec. 503(a) of the regulations.

²³ See sec. 804(b) of the regulations.

through the county committee the information required to be shown on Form 317. The county committee and the farm operator shall compare the information entered on Form 317 on the basis of the reports of ginner and buyers with the information furnished by the farm operator and review the apportionment and reapportionment of producer marketing quotas and the extent to which each producer has used the producer marketing quota apportioned to him and the amount of the penalties incurred and paid. Any adjustments necessary in the report on Form 317 as to the amount of cotton produced in 1939 and the amount of cotton marketed shall be made in columns (33), (65), and (74) of Form 317 and the remaining entries thereon adjusted accordingly.²⁴ The operator shall indicate his approval by executing the certificate provided therefor on Form 317. The report shall first be made within 30 days after all cotton on the farm has been marketed or March 1, 1940, whichever is the earlier. If all cotton has not been marketed at that time, a final report shall be made as indicated above not later than 30 days after all cotton on the farm has been marketed or August 1, 1940, whichever is the earlier. If, at the time of making the report on March 1, 1940, or at any subsequent date prior to August 1, 1940, the only unmarketed cotton is pledged as security for a Commodity Credit Corporation loan, the report of the operator shall be considered as final unless and until the cotton so pledged is withdrawn from the loan. If necessary, a representative of the county committee shall take the report on Form 317 to the home or principal place of business of the farm operator for the purpose of securing his report thereon.

(b) **Farms for which Form 317 was not prepared.**—The farm operator of each farm for which a Form 317 was not prepared as outlined in section 225 of these instructions shall, if requested by the county committee, furnish the information for the proper execution of columns (1) through (7), and (33), (46), (47), (65), and (74) through (89) of Form 317 and execute the certificate of the farm operator provided for therein.²⁵

(c) **Identity of ginner and buyers.**—The operator of any farm shall, upon request of the county committee, furnish as a part of his report on Form 317 the name and address of each buyer to whom he sold any cotton and the name and address of each ginner who ginned any cotton for him.²⁵

SEC. 227. FARM OPERATORS FAILING OR REFUSING TO MAKE A REPORT ON FORM 317.

If the operator of any farm fails or refuses to make the report required under section 804(b) of the regulations by not furnishing the information necessary for the proper completion of Form 317 in the manner outlined in sections 225 and 226 of these instructions or fails or refuses to approve the report after all necessary corrections have been made by him and by the county committee, the county committee shall forward a request for the report to him by registered mail (return receipt requested) together with a copy of the regulations. The request shall direct the attention of the operator to section 373(b) of the act and to section 804(b) of the regulations and state further that pursuant to section 806 of the regulations the county

²⁴ See secs. 225(e), 225(h), and 225(1) of these instructions.

²⁵ See sec. 804(b) of the regulations.

committee is required to report any continued default on his part in this respect in order that proceedings may be instituted in accordance with section 376 of the act specifically to enforce the provisions of the act. The letter shall also request a prompt reply and shall offer to the operator any assistance which he may require in order to enable him to understand the use and execution of the operator's report and the nature of the information required thereby. A member of the county committee shall call on the operator and endeavor to discuss the matter with him with a view to obtaining the execution of Form 317. If the execution of Form 317 is not promptly completed, a full report, **in quintuplicate**, shall be made and the original and three copies thereof forwarded to the State office. The report shall contain the name and full mail address of the operator and all facts and circumstances in the case, and shall be accompanied by the same number of copies of all correspondence between the county committee and the farm operator.

SEC. 228. ISSUING RED MARKETING CARDS.

(a) **Conditions under which red marketing cards will be issued.**²⁶—Red marketing cards (Form 312), together with the accompanying Form 313, shall not be prepared for issuance unless and until columns (1) through (7) of Form 317 have been executed.²⁷ Red marketing cards will be issued for the 1939-40 marketing year for **each** producer (except as provided in section 502(b) of the regulations) on farms in the following classifications: (1) overplanted farms; (2) farms in connection with which one or more producers have carry-over penalty cotton; (3) underplanted farms in connection with which no producer has carry-over penalty cotton where either exceptions 5, 7, or 8 of section 219(a) of these instructions is applicable. Where either exception 5 or 6 of section 219(a) of these instructions is applicable, no marketing card shall be issued to or for the multiple farm producer for the underplanted farms in connection with which no producer has carry-over penalty cotton unless and until he requests the issuance of a marketing card with respect thereto in which event a red marketing card shall be issued to him. A red marketing card shall also be issued for a farm for which a cotton acreage allotment was established for 1939 but on which no cotton is planted in 1939 if cotton on hand from a previous crop will be marketed in connection therewith.²⁸ A red marketing card shall also be issued to a person who has carry-over penalty-free cotton but who is not located in 1939 on a farm for which a cotton acreage allotment was established or who is not on any farm in 1939.²⁸ Where the farm is an overplanted farm or a farm in connection with which one or more producers have carry-over penalty cotton, white marketing cards may be issued in lieu of the red marketing cards if a bond of indemnity on Form 323 or funds to be held in escrow to secure payment of the penalty are accepted for the farm²⁹ or where the county committee estimates that the amount of cotton to be produced thereon in 1939 plus the carry-over penalty cotton will not exceed the amount of the normal production of the farm acreage allotment.³⁰ A white marketing card may be

²⁶ See sec. 502 of the regulations.

²⁷ See sec. 225(c) and 225(d) of these instructions.

²⁸ See sec. 225(t) of these instructions.

²⁹ See secs. 501(b) and 707 of the regulations and sec. 238 of these instructions.

³⁰ See sec. 501(d) of the regulations and sec. 239 of these instructions.

issued in lieu of the red marketing card for an overplanted farm in connection with which **no** producer has carry-over penalty cotton if it is estimated or found that the total production in 1939 of the acreage planted to cotton will not exceed 1,000 pounds of lint cotton.³¹

(b) **Appointment of operator to receive red marketing card in trust for all producers.**—In any case where a red marketing card would otherwise be issued to each producer on a farm, a red marketing card may be issued to the operator if all producers, including the operator, execute Form 312-A. Unless all producers agree, as evidenced by Form 312-A, that a red marketing card for the farm shall be issued to the operator, this paragraph shall not be applicable. After red marketing cards have been issued to all producers, an agreement executed on Form 312-A shall not be recognized. The issuance of a red marketing card to the operator in trust for all producers on the farm shall not otherwise change the execution of Form 317.³²

(c) **Preparation of Form 310-A for red marketing cards.**—A record of the issuance of all red marketing cards and the related Forms 313 shall be kept on Form 310-A prepared in the original only as follows:

1. Enter the legend "Form 312" above the title.
2. Tabulate on a separate line the data with respect to the issuance of each Form 312 and book of Form 313. Form 312 and the data in connection with the issuance thereof **shall be listed strictly in the numerical order of the printed serial numbers** appearing thereon. If a Form 312 and book of Form 313 are to be issued to each producer on a farm, all Forms 312 to be issued to such producers shall be listed on Form 310-A on consecutive lines.
3. In the spaces indicated enter the State and county code number, the page number, the name of the county, and the name of the State.
4. In column A enter the serial number of the farm.
5. In column B enter the serial number of the Form 312.
6. In column C enter the name of the operator or producer to whom Form 312 and the related Form 313 are issued.
7. In columns E and F enter the first and last serial numbers, respectively, of Form 313 which are in the same book and accompany the Form 312.

(d) **Preparation of red marketing cards.**—Each red marketing card shall be prepared as follows:

1. In the space indicated enter the State and county code number and the serial number for the farm.
2. On the line beneath the space for the State and county code number, enter a brief description of the farm if the producer for whom Form 312 is to be issued has an interest in more than one farm or if the county committee determines that a description of the farms is necessary.
3. In the blank space following the words "This is to certify that" write, in words, the sum of the amounts in columns (3) and (4) of Form 317 opposite the name of the producer to whom the red marketing card will be issued, as, for example, "Two thousand." If the red marketing card is issued to the operator in trust for all producers, write, in words, the sum of the entries on line 11 of columns

³¹ See sec. 501(c) of the regulations and sec. 240 of these instructions.

³² See sec. 502(b) of the regulations.

(3) and (4) of Form 317.³³ If the red marketing card is issued to a person who is not located in 1939 on a farm or who is located on a farm for which no cotton acreage allotment was established, write, in words, the number of pounds of his carry-over penalty free cotton.³⁴

4. In the parentheses preceding the word "pounds," enter, in figures, the amount entered pursuant to item 3 above.

5. In the space indicated print the name and full mail address of the farm operator.

6. In the space indicated print the name and full mail address of the producer to whom the red marketing card will be issued. If the red marketing card is to be issued to the farm operator, enter the word "Same."

(e) **Preparation of Form 313.**—Form 313 shall be prepared as follows:

1. All entries on Form 313 which are to be made in the county office shall be made with indelible pencil except for the stamping of the address of the treasurer of the county committee on the postal-card copy (Form 313-b).

2. In the spaces indicated enter (i) the State and county code and farm serial number; (ii) the name and full mail address of the producer to whom issued.

3. In item 2 of the first set of Form 313 in each book enter the amount of the marketing quota which is shown on the Form 312 which accompanies the book of Form 313.³⁵

4. On the address side of each Form 313-b stamp the full mail address of the treasurer of the county committee beneath the words "Treasurer of County Agricultural Conservation Committee."

(f) **Delivery of red marketing cards.**—The county committee shall examine each Forms 312, 313, and 310-A and, if found to be correct, a member thereof shall, on its behalf, sign Form 312 in the space provided and enter the date of his signature. The operator or producer to whom Forms 312 and 313 are issued shall receipt therefor by signing his name in column I of Form 310-A and entering the date of his signature in column H thereof. The operator or producer to whom the red marketing card is issued shall also countersign it (by signing his name in the style shown therein) on the line provided therefor at the time he receives it and enter the date thereof opposite his signature.

(g) **Issuing additional red marketing cards where producer marketing quotas are not increased.**—In cases where the number of transactions in which a producer markets cotton will be in excess of the number of sets of Form 313 contained in the book accompanying the Form 312 issued to him and additional Forms 312 and 313 are not to be issued under section 502(c), 504, or 507 of the regulations, the county committee shall, upon request of the producer, issue an additional book of Form 313 and the Form 312 accompanying it, in accordance with the procedure outlined in paragraphs (b), (c), (d), (e), and (f) of this section, except that—

³³ See secs. 301(a) and 301(b) of the regulations. Also see items (1) and (5) of sec. 304 of the regulations and secs. 225(c) and 225(d) of these instructions.

³⁴ See the last sentence of sec. 502(a) of the regulations.

³⁵ See item 3 of par. (d) of this section.

1. The amount of the producer marketing quota or farm marketing quota, as the case may be, entered on the new Form 312 shall be the same as that shown on the previous Form 312.³⁶ If the particular book is the second book issued to the producer, the word "Second" shall be entered on the face of Form 312. Similarly, the issue number of each subsequent book issued to a producer in accordance with the provisions of this paragraph shall be entered on the face of Form 312: as, for example, "Third" or "Fourth."

2. In item 2 of the first set of the Form 313 in the new book enter the unused portion, if any, of the marketing quota as shown in line 4 of the last Form 313—a contained in the book previously issued. If there is no unused marketing quota the word "None" shall be entered in item 2 of the first set of Form 313 in the new book.³⁷

3. In column J of Form 310—A enter the word "Second" or "Third", etc., as the case may be, and the serial numbers of the Form 312 previously issued to the producer.

(h) **Issuing additional red marketing cards on the basis of an intermediate or final reapportionment of producer marketing quotas.**³⁸—If the farm marketing quota is increased and reapportioned among the producers thereon as provided in item 2 of section 304 of the regulations, or if the farm marketing quota is not increased but is reapportioned among the producers thereon as provided in item 3 of section 304 of the regulations,³⁹ the issuance of additional red marketing cards will be made as follows:

1. In the case of either an intermediate or final reapportionment of producer marketing quotas, where red marketing cards were issued to each producer on the farm, a new red marketing card for each producer on the farm for whom the producer marketing quota was increased will be issued as outlined in paragraphs (b), (c), (d), (e), and (f) of this section, with the exceptions that—

a. The word "Additional" shall be entered above the State and county code and farm serial number of the new Form 312.

b. The amount of the producer marketing quota entered on the new Form 312 shall, in the case of an intermediate reapportionment, be the amount shown opposite the producer's name in either column (36) or (39) of Form 317,⁴⁰ or, in the case of a final reapportionment, be the amount by which the entry in column (46) of Form 317 opposite the producer's name exceeds the largest of the entries in columns (3), (35), and (38) of Form 317.

c. In item 2 of the first set of new Form 313 enter the amount of the producer marketing quota which is shown on the accompanying Form 312.

d. In column J of Form 310—A enter the word "Additional."

2. In cases where a red marketing card was issued to the operator in trust for all other producers, additional red marketing cards for the amount by which the farm marketing quota was increased as a result of an intermediate or final reapportionment will be issued as

³⁶ See item 3 of par. (d) of this section.

³⁷ In this connection see item 3 of par. (e) of this section.

³⁸ See sec. 502(c) of the regulations.

³⁹ See secs. 225(f) and 225(g) of these instructions.

⁴⁰ See sec. 225(f)12 of these instructions.

outlined in paragraphs (b), (c), (d), (e), and (f) of this section,⁴¹ with the exceptions that—

- a.* The word "Additional" shall be entered above the State and county code and farm serial number of the new Form 312.
 - b.* The amount of the farm marketing quota entered on the new Form 312 shall, in the case of an intermediate reapportionment, be the amount by which the farm marketing quota is increased, obtained by subtracting the entry on line 11, column (3) from the entry on line 11, column (35) in the case of a first intermediate reapportionment or by subtracting the entry on line 11, column (35) from the entry on line 11, column (38) in the case of a second intermediate reapportionment of Form 317,⁴² or, in the case of a final reapportionment, be the amount by which the entry on line 11 of column (46) of Form 317 exceeds the largest of the entries on line 11 in columns (3), (35), and (38) of Form 317.
 - c.* In item 2 of the first set of new Form 313 enter the amount of the producer marketing quota which is shown on the accompanying Form 312.
 - d.* In column J of Form 310-A enter the word "Additional."
 - e.* If producer marketing quotas were reapportioned but no increase was made in the amount of the farm marketing quota, an additional red marketing card shall not be issued.
3. If as a result of the reapportionment of the producer marketing quotas a refund was or will be made pursuant to section 708 of the regulations,⁴³ the following procedure shall be followed:
- a.* New Form 312 and books of Form 313 reflecting the increase in the producer marketing quota or farm marketing quota shall not be issued if the amount of the poundage on which a refund was or will be made is equal to or more than the amount by which the producer marketing quota or farm marketing quota is increased.
 - b.* New Form 312 and books of Form 313 will be issued reflecting the amount by which the producer marketing quota or farm marketing quota was increased minus the amount of the poundage on which a refund was or will be made.
4. If at the time of an intermediate or final reapportionment a producer has marketed all cotton produced by or for him, an additional red marketing card shall not be issued for the amount by which the producer marketing quota was increased. Likewise, in cases where a red marketing card was issued to the operator in trust for all producers, an additional red marketing card shall not be issued for the amount by which the farm marketing quota was increased if all cotton on the farm has been marketed. If all cotton has not been marketed in either case, red marketing cards for the amount by which the producer marketing quota or the farm marketing quota, as the case may be, **was increased shall be issued only to the extent of the unmarketed cotton.**⁴⁴

⁴¹ See item 3 of sec. 502(c) of the regulations.

⁴² See sec. 225(f)12 of these instructions.

⁴³ See also sec. 225(r) of these instructions.

⁴⁴ See sec. 225(s) of these instructions.

5. If the producer marketing quota of any producer to whom Form 312 was issued is decreased as a result of the apportionment or reapportionment of the farm marketing quota as set forth in section 304 of the regulations, the county committee shall, in accordance with section 502(c) of the regulations, alter the form Cotton 312 heretofore issued to such producer by striking through the amount of the producer marketing quota previously entered thereon and by entering the amount of the decreased producer marketing quota above the previous entry. In item 2 of the first set of unused Form 313, the county committee shall enter the unused portion, if any, of the decreased producer marketing quota determined by subtracting the sum of the entries in item 3 of the executed Form 313-A from the amount of the decreased producer marketing quota. If there is no unused amount of the decreased producer marketing quota, the word "None" shall be entered in item 2 of the first set of unused Form 313. The entries so made on Forms 312 and 313 shall be signed or initialed by a member of the county committee. If such a producer fails or refuses to have the Form 312 and Form 313 so altered, the county committee shall cancel the Form 312 and Form 313 in accordance with section 502(c) of the regulations.

6. The sum of all producer marketing quotas with respect to any farm as evidenced by Form 312, exclusive of any canceled Form 312, shall not exceed the amount of the farm-marketing quota.⁴⁵

SEC. 229. ISSUING BLUE MARKETING CARDS.

(a) **Conditions under which blue marketing cards will be issued.**—Blue marketing cards (Form 314), together with the accompanying Form 315 shall be issued for the 1939-40 marketing year for each producer (except as provided in section 503(b) of the regulations) on a farm who has carry-over penalty cotton.⁴⁶ In cases where a producer has an interest in more than one farm, the blue marketing card shall be issued with respect to the farm or farms which the producer has designated as the farm or farms in connection with which the carry-over penalty cotton is to be marketed.⁴⁷ However, the same bale or lot of seed cotton cannot be marketed in connection with different farms, and the producer must designate in writing the amount to be marketed in connection with each farm. A blue marketing card shall also be issued for a farm for which a cotton acreage allotment was established for 1939 but on which no cotton was planted in 1939 if carry-over penalty cotton will be marketed in connection therewith. A blue marketing card will also be issued to a person who is not farming in 1939 or who is on a farm for which no cotton acreage allotment was established for the amount of his carry-over penalty cotton.⁴⁸

(b) **Appointment of operator to receive blue marketing card in trust for all producers.**—In any case where a blue marketing card would otherwise be issued to several producers on a farm, a blue marketing card for the entire amount of carry-over penalty cotton to be marketed in connection with the farm may be issued to the operator if all producers who have carry-over penalty cotton and the operator execute form 314-A. Unless all producers who have carry-over pen-

⁴⁵ See item (7) of sec. 304 and item (4) of sec. 502(c) of the regulations.

⁴⁶ See sec. 503(a) of the regulations.

⁴⁷ See items (15) through (22) of secs. 224 and 225(d) of these instructions.

⁴⁸ See the second sentence of sec. 503(a) of the regulations.

alty cotton and the operator agree, as evidenced by Form 314-A, that a blue marketing card for the farm shall be issued to the operator, this paragraph shall not be applicable. After blue marketing cards have been issued to the individual producers who have carry-over penalty cotton an agreement on Form 314-A shall not be recognized. The issuance of a blue marketing card to the operator in trust for all producers on the farm shall not otherwise change the execution of Form 317.⁴⁹

(c) Preparation of Form 310-A for blue marketing cards.—

A record of the issuance of all blue marketing cards and the related Form 315 shall be kept on Form 310-A prepared in the original only as follows:

1. Enter the legend "Form 314" above the title.
2. Tabulate on separate lines the data with respect to the issuance of Form 314 and book of Form 315. Form 314 and the data in connection with the issuance thereof shall be listed strictly in numerical order of the printed serial numbers printed thereon. If a Form 314 and book of Form 315 are to be issued to each producer on the farm, all Forms 314 to be issued to such producers shall be listed on Form 310-A on consecutive lines.
3. In the spaces indicated enter the State and county code, the page number, the name of the county, and the name of the State.
4. In column A enter the serial number of the farm.
5. In column B enter the serial number of the Form 314.
6. In column C enter the name of the operator or producer to whom Form 314 and the related Form 315 are issued.
7. In columns E and F enter the first and last serial numbers, respectively, of Form 315 which are in the same book and accompany the Form 314.

(d) Preparation of blue marketing cards.—Each blue marketing card shall be prepared as follows:⁵⁰

1. In the space indicated enter the State and county code number and the serial number for the farm.
2. On the line beneath the space for the State and county code number enter a brief description of the farm if the producer for whom it is prepared has an interest in more than one farm or if the county committee determines that a description of the farm is necessary.
3. In the blank space following the words "This is to certify that" write in words the figure entered in column (5) of Form 317 opposite the name of the producer to whom the blue marketing card will be issued, as for example, "Two thousand pounds." If the blue marketing card is issued to the operator in trust for all producers enter in words the entry on line 11 of column (5) of Form 317. If the blue marketing card is issued to a person who is not located on the farm in 1939 or who is located on the farm for which no cotton acreage allotment was established, write in words the number of pounds of his carry-over penalty cotton.
4. In the parentheses preceding the word "pounds" enter in figures the amount entered pursuant to item 3 above.

⁴⁹ See sec. 503(b) of the regulations.

⁵⁰ Also see sec. 503(a) of the regulations.

5. In the space indicated print the name and full mail address of the farm operator.

6. In the space indicated print the name and full mail address of the producer to whom the blue marketing card will be issued. If the blue marketing card is to be issued to the farm operator, enter the word "Same."

(e) **Preparation of Form 315.**—Form 315 shall be prepared as follows:

1. All entries on Form 315 which are to be made in the county office shall be made in indelible pencil except for the stamping of the address of the treasurer of the county committee on the postal-card copy (Form 315-b).

2. In the spaces indicated enter (i) the State and county code and farm serial number (ii) the name and full mail address of the producer to whom issued.

3. In item 2 of the first set of Form 315 in each book enter the number of pounds of carry-over penalty cotton which is shown on Form 314⁵¹ which accompanies the book of Form 315.

4. On the address side of each Form 315-b stamp the full mail address of the treasurer of the county committee beneath the words "Treasurer of the County Agricultural Conservation Committee."

(f) **Delivery of blue marketing cards.**—The county committee shall examine each Form 314, 315, and 310-A, and if found to be correct a member thereof shall on its behalf sign Form 314 in the space provided and enter the date of his signature. The operator or producer to whom Forms 314 and 315 are issued shall receipt therefor by signing his name in column I of Form 310-A and enter the date of his signature in column H thereof. The operator or producer to whom the blue marketing card is issued shall also countersign it on the line provided therefor at the time of receiving it and enter the date thereof opposite his signature.

(g) **Issuing additional blue marketing cards.**—In cases where the number of transactions in which a producer markets carry-over penalty cotton will be in excess of the number of sets of Form 315 contained in the book accompanying the Form 314 issued to him, the county committee shall, upon request of the producer, issue an additional book of Form 315 and the Form 314 accompanying it in the manner outlined in section 228(g) of these instructions.

SEC. 230. ISSUING MARKETING CARDS FOR COTTON PLEDGED AS SECURITY FOR A COMMODITY CREDIT CORPORATION LOAN.⁵²

If any producer desires to market any cotton from a previous crop which is pledged as security for a Commodity Credit Corporation loan, the county committee shall upon his request issue to him for the amount of such cotton which he desires to market a red marketing card for the amount thereof which is carry-over penalty-free cotton and a blue marketing card for the amount thereof which is carry-over penalty cotton.⁵³ The red marketing card and corresponding Form 313 shall be issued in accordance with the procedure outlined in paragraphs (b), (c), (d), (e), and (f) of section 228 of these instructions, and blue marketing cards and corresponding Form 315

⁵¹ See item 3 of par. (d) of this section.

⁵² See sec. 504 of the regulations.

⁵³ Also see secs. 225(d)5 and 225(g)23 of these instructions.

will be issued in accordance with the procedure outlined in paragraphs (a), (b), (c), (d), (e), and (f) of section 229, with the following exceptions:

1. The poundage to be entered in the blank space of Form 312 or 314 following the words "This is to certify that" shall be the net weight⁵⁴ of the carry-over penalty-free cotton or the net weight⁵⁴ of carry-over penalty cotton, respectively, which the producer states is to be withdrawn from the loan and marketed, and the words "Loan Cotton" shall be written in bold characters across the face of Form 312 or 314.

2. In column J of Form 310-A enter the words "Loan cotton."

SEC. 231. LOST, DESTROYED, OR STOLEN RED MARKETING CARDS OR BLUE MARKETING CARDS.

In case any Form 312 and the corresponding Form 313 or any Form 314 and the corresponding Form 315 are lost, destroyed, or stolen, the county committee may reissue such forms to the producer in accordance with section 507 of the regulations. A copy of the notice of cancelation, other correspondence, and a memorandum of any findings of the county committee in connection with the loss, destruction, or theft, of such forms shall be filed in the folder for the farm. Form 312 and the book of Form 313 shall be issued in accordance with the procedure contained in paragraphs (b), (c), (d), (e), and (f) of section 228 of these instructions and Form 314 and the book of Form 315 shall be issued in accordance with the procedure contained in paragraphs (a), (b), (c), (d), (e), and (f) of section 229 of these instructions, with the following exceptions:

1. The amount of the producer marketing quota or farm marketing quota, as the case may be, entered on the new Form 312 and the amount of carry-over penalty cotton entered on the new Form 314 shall be the same as that shown on the lost, destroyed, or stolen Form 312 or Form 314, respectively, and the word "Duplicate" shall be stamped across the face thereof.

2. In item 2 of the first set of Form 313 in the new book enter the unused portion, if any, of the marketing quota entered in Form 312. In item 2 of the first set of Form 315 in the new book enter the unmarketed portion, if any, of the carry-over penalty cotton entered in Form 314. If there is no unused marketing quota the word "None" shall be entered in item 2 of the first set of Form 313 in the new book. If there is no unmarketed carry-over penalty cotton, a new Form 314 and book of Form 315 shall **not** be issued. In determining the amount of the unused portion of the marketing quota the county committee shall take into consideration the amount of cotton ginned and marketed by the producer as recorded on Form 317 together with any additional information which may be required.

3. In column J of Form 310-A enter the legend "Lost," "Destroyed," or "Stolen" opposite the entry showing the issuance of the duplicate Form 312 or Form 314.

4. The legend "Canceled—Lost," or "Canceled—Destroyed," or "Canceled—Stolen" shall be entered in column J of the Form 310-A opposite the serial number of the lost, destroyed, or stolen Forms 312 and 313 or Forms 314 and 315.

⁵⁴ See the memorandum required of the county office representative pursuant to items (15) through (22) of sec. 224 and sec. 225(d) of these instructions.

SEC. 232. CANCELATION OF RED MARKETING CARDS OR BLUE MARKETING CARDS ISSUED IN ERROR.

In case any Form 312 or Form 314 is erroneously issued, the county committee shall cancel it in accordance with section 508 of the regulations. A copy of the notice of cancellation, other correspondence, and a memorandum of any findings of the county committee in connection with its cancellation shall be filed in the folder for the farm. The legend "Canceled" shall be entered in column J of Form 310-A opposite the serial number of the canceled Form 312 or Form 314. The legend "Canceled" shall be entered across the Form 312 or Form 314 and each Form 313 and 315 accompanying it.

SEC. 233. REPORTS OF COTTON MARKETED.

(a) **Audit of Forms 313-b.**⁵⁵—Each Form 313-b shall be audited as follows to determine whether it has been correctly prepared:

1. If the amount of cotton marketed as shown in item 3 of the first Form 313-b in the book accompanying the red marketing card is less than the producer or farm marketing quota shown in item 2 thereof, the difference must be correctly entered in item 4. Each subsequently executed Form 313-b in the book must be compared with the preceding Form 313-b to determine whether the entry in item 4 of the preceding Form 313-b has been correctly brought forward to item 2. If the balance of the marketing quota as shown in item 4 has not been correctly brought forward on the succeeding Form 313-b or if an error has been made in deducting the amount of cotton marketed in a particular transaction from the unused portion of the marketing quota, the producer shall be notified of the error and requested to bring his red marketing card to the county office for correction. The corrected unused portion of the marketing quota shall then be entered in item 2 of the first unused set of Form 313 and the entry initialed by a member of the county committee or by its secretary or treasurer. If the error caused the computation in items 5 and 6 of a penalty less than that actually incurred, the error shall be explained to the buyer and the buyer shall be requested to remit the necessary additional amount.

2. If the amount of cotton marketed under the first or any subsequent Form 313 is greater than the entry in item 2 thereof, the amount of cotton marketed in excess of the marketing quota must be correctly shown in item 5 and the amount of the penalty incurred in respect thereto at the rate of 3 cents per pound must be correctly shown in item 6. If the penalty actually incurred is greater than the amount in item 6, the buyer and the producer must be notified of the correct amount of the penalty, and if the buyer has not already remitted the correct amount of the penalty he shall be requested to do so at once.

3. The gin bale numbers or marks or the pounds of seed cotton must be shown in item 7 of Form 313-b. The buyer and producer shall be notified of the error in the event they are not shown and shall be requested to furnish the gin bale numbers or marks of the pounds of seed cotton.⁵⁶

4. The date of the transaction must appear in item 8 of Form 313-b.

5. The name of each producer who has a share in the cotton

⁵⁵ See secs. 603, 802(a)(3), 802(a)(4), 802(a)(7), 803, and 804(a) of the regulations.

⁵⁶ The gin bale numbers or marks may be compared with the gin bale numbers or marks appearing in the heading of columns (e) through (r) of Form 354. This should be helpful in determining the proper execution of item 9 of Form 313. See item 5 below of this paragraph.

marketed and the amount of his share therein, expressed in pounds, must appear correctly in item 9 of Form 313-b or in an attached list. If red marketing cards were issued to each producer for the amount of his producer marketing quotas, and his name **alone** appears in item 9, no exception thereto shall be made by the county office if it is indicated that his share of the cotton grown by him is determined prior to the time of marketing and divided so that the share of the landlord or operator, or both, are marketed separately. If not, he shall be requested to furnish the names and shares of the other interested producers. If the amount of cotton covered by Form 313-b together with the amounts previously marketed is in excess of the producer's share in the cotton produced on the farm as shown by Forms 316 and 326 and the producer's name appears in item 9, the producer shall be requested to furnish the name of the producer for whom the cotton was marketed or requested to explain the difference between the ginner's and buyers' reports. If the red marketing card was issued to the operator in trust for all producers and the name of the operator **alone** appears in item 9, he shall be requested to furnish a satisfactory explanation setting forth the fact that he was the sole person interested in the cotton covered thereby or he must be required to furnish the name of each producer who had a share in the cotton marketed and the amount of each producer's share.

6. Items 10 and 11 respectively of Form 313-b must be correctly executed by the producer and the buyer or transferee.

7. If a Form 326 is received during the month which indicates that cotton was sold in the seed by a producer to whom a red marketing card was issued, and the related Form 313-b (or Form 315-b) is not received within 30 days after the date the cotton was marketed, the buyer and producer shall be requested to furnish a correctly executed Form 313-b (or Form 315-b).⁵⁷

8. If it is indicated from the serial numbers of the Form 313-b received that a Form 313-b which has been executed has not been submitted to the county office, that is, the serial numbers of the Form 313-b received are not in consecutive order, the producer shall be so notified and requested to furnish the name of the buyer or transferee who executed the missing Form 313-b. The buyer or transferee shall then be requested to submit the Form 313-b executed by him.

(b) **Preparation of Form 355 for Form 313-b.**⁵⁸—It shall not be necessary to prepare Form 355 where only one producer has an interest in the cotton marketed, nor shall it be necessary to prepare it when more than one producer has an interest in the cotton marketed and **all** of it is marketed subject to penalty, since the entry to be made on line (b) in the columns headed "Amount" of columns (51) through (63) of Form 317 in the first instance will be the entry in item 6 of Form 313-b and in the second instance will be the product obtained by multiplying by 3 cents the share of each producer in the cotton marketed as shown in item 9 (or a continuation thereof on an attached list) of Form 313-b. If a penalty was incurred with respect to a portion but

⁵⁷ Form 326 is in addition to the report on Form 313 or Form 315. If cotton is sold in the seed by a producer to whom a red marketing card was issued, the buyer shall execute and submit both Forms 313-b and 326. If the buyer is also the ginner, he is required, in addition, to submit an additional report on Form 316. See par. C. 3 on the reverse side of Form 316. This should be observed particularly in the case of "toll" or "remnant" cotton. Where cotton is identified by a white marketing card, the reports on Forms 326 and 316 only are required.

⁵⁸ See sec. 225(h) of these instructions.

not all of the cotton covered by a Form 313-b and more than one producer had an interest in the cotton marketed, Form 355 shall be executed as follows:

1. In the spaces indicated enter the farm serial number and the serial number of the Form 313-b.

2. In column A enter the name of each producer who had an interest in the cotton marketed as shown in item 9 (or a continuation thereof on an attached list) of Form 313-b.

3. In column B enter opposite the name of each producer his share, expressed in pounds, in the cotton marketed and, on the total line in column B, enter the total amount of cotton marketed in the particular transaction.

4. On the total line in column C enter the amount of the penalty as shown in item 6 of Form 313-b.

5. Divide the entry on the total line in column C by the entry on the total line in column B and enter the quotient, carried to four decimal places, in the space provided in the heading of column C.

6. Multiply the entry in the heading of column C by the entry in column B opposite each producer's name and enter the product in column C. The sum of the entries in column C must equal the amount on the total line thereof.

7. Form 355 shall be attached to the Form 313-b to which it relates and the amounts to be recorded on line (b) in the columns headed "Amount" of columns (51) through (63) of Form 317 shall be taken from column C of Form 355.

(c) **Audit of Form 315-B.**⁵⁹—Each Form 315-b shall be audited as follows to determine whether it has been correctly prepared:⁶⁰

1. If the amount of cotton marketed as shown in item 3 of the first Form 315-b in the book accompanying the blue marketing card is less than the amount of carry-over penalty cotton shown in item 2 thereof, the difference must be correctly entered in item 4. Each subsequently executed Form 315-b in the book must be compared with the preceding Form 315-b to determine whether the entry in item 4 of the preceding Form 315-b has been correctly brought forward to item 2. If the balance of the unmarketed carry-over penalty cotton as shown in item 4 has not been correctly brought forward on the succeeding Form 315-b or if an error has been made in deducting the amount of cotton marketed in a particular transaction from the amount of carry-over penalty cotton, the producer shall be notified of the error and requested to bring his blue marketing card to the county office for correction. The corrected unmarketed portion of the carry-over penalty cotton shall be entered in item 2 of the first unused set of Form 315 and the entry initialed by a member of the county committee or by its secretary or treasurer.

2. The entry in item 6 *a* of Form 315-b must be 2 cents times the smaller of the amounts shown in item 2 and item 3 thereof.

⁵⁹ See secs. 604, 802(a)(5), 802(a)(6), 802(a)(7), 803, and 804(a) of the regulations.

⁶⁰ Producers will find it advantageous to use their red and blue marketing cards in the following order in marketing their cotton: **First**, use the red marketing card in marketing cotton up to the amount of the producer or farm marketing quota shown thereon (no penalty will be incurred on such cotton); **Second**, use the blue marketing card for subsequent amounts until an amount equal to the carry-over penalty cotton has been marketed (such cotton will be subject to the 2-cent penalty); and, **Third**, by using the red marketing card for the balance of their cotton.

3. If the amount of cotton marketed under the first or any subsequent Form 315 is greater than the entry in item 2 thereof, the amount of cotton marketed in excess of the amount of carry-over penalty cotton must be correctly shown in item 5 and the amount of the penalty incurred in respect thereto at the rate of 3 cents per pound must be correctly shown in item 6 *b*.

4. If the amount of the penalty actually incurred is not correctly shown in items 6 *a* and 6 *b* the buyer and the producer must be notified of the correct amount of the penalty, and if the buyer has not already remitted the correct amount of the penalty he should be notified to do so at once.

5. The gin bale numbers or marks or the pounds of seed cotton must be shown in item 7. The buyer and the producer shall be notified of the error in the event they are not shown and shall be requested to furnish the gin bale numbers or marks or pounds of seed cotton.

6. The date of the transaction must appear in item 8 of Form 315-b.

7. The name of each producer who has a share in the cotton marketed and the amount of his share therein, expressed in pounds, must appear correctly in item 9 of Form 315-b or in a continuation thereof on an attached list. If the blue marketing card was issued to the operator in trust for all producers and the name of the operator **alone** appears in item 9 he should be requested to furnish a satisfactory explanation setting forth the fact that he is the sole person interested in the cotton covered thereby or he must be required to furnish the name of each producer who had a share in the cotton marketed and the amount of each producer's share.

8. Items 10 and 11, respectively, of Form 315-b must be correctly executed by the producer and buyer or transferee.

9. If it is indicated from the serial numbers of Form 315-b that a Form 315-b has been executed and has not been submitted to the county office, that is, the serial numbers for Form 315-b received are not in consecutive order, the producer shall be so notified and requested to furnish the name of the buyer or transferee. The buyer or transferee shall then be requested to submit the Form 315-b.

(d) **Preparation of Form 355 for Form 315-b.**⁶¹—If the penalty of only 2 cents per pound or a penalty of only 3 cents per pound was incurred with respect to a transaction covered by Form 315-b, and one or more producers had an interest in the cotton marketed, the number of pounds of cotton to be recorded on Form 317 opposite the name of each producer who had an interest in the cotton covered thereby shall be the amount shown opposite his name in item 9 (or a continuation thereof on an attached list) of Form 315-b and the amount of the penalty shall be 2 cents or 3 cents, as the case may be, times such number of pounds. If only one producer had an interest in the cotton covered by Form 315-b and a portion thereof was marketed subject to the penalty of 2 cents per pound and a portion thereof was marketed subject to the penalty of 3 cents per pound, the entry in items 5 and 6 *b* of Form 315-b shall be entered on Form 317 opposite the producer's name in the columns headed "Amount" of columns (51) through (63) and the entry in items 2 and 6 *a* of Form 315-b shall be entered on Form 317 opposite the producer's name in the columns headed "Amount" of columns (68) through (72). If

⁶¹ See sec. 225(h)6 and sec. 225(1) of these instructions.

a portion of the cotton covered by Form 315-b was marketed subject to the penalty of 2 cents per pound and a portion thereof was marketed subject to the penalty of 3 cents per pound and more than one producer had an interest in the cotton marketed, **separate** Form 355 shall be prepared as follows with respect to the amount shown in item 2 and with respect to the amount shown in item 5 of Form 315-b:

1. In the spaces indicated enter the farm serial number and the serial number of Form 315-b.

2. In column A enter the name of each producer who had an interest in the cotton marketed.

3. In column B enter opposite the name of each producer his share, expressed in pounds, in the total amount of cotton marketed as shown in item 9 (or in a continuation thereof on an attached list) on Form 315-b and, on the total line in column B, enter the total amount of cotton marketed in the particular transaction.

4. On the total line in column C for the **first** Form 355 enter the amount of cotton shown in item 2 of Form 315-b and on the total line in column C of the **second** Form 355 enter the amount of cotton shown in item 5 of Form 315-b.

5. Divide the entry on the total line in column C of each Form 355 by the entry on the total line in column B and enter the quotient, carried to four decimal places, in the space provided in the heading of column C.

6. Multiply the entry in the heading of column C of each Form 355 by the entry in column B opposite each producer's name and enter the product in column C. The sum of the entries in column C must equal the amount in the total line thereof.

7. In the **margin** to the right of column C of the **first** Form 355 (prepared with respect to the entry in item 2 of Form 315-b) enter the product obtained by multiplying by 2 cents the entry in column C opposite each producer's name. The sum of the entries so made must equal the amount shown in item 6 *a* of Form 315-b.

8. In the **margin** to the right of the **second** Form 355 (prepared with respect to the entry in item 5 of Form 315-b) enter the product obtained by multiplying by 3 cents the entry in column C opposite each producer's name. The sum of the entries so made must equal the amount shown in item 6 *b* of Form 315-b.

9. Both of the Forms 355 prepared as outlined above shall be attached to the Form 315 to which they relate and the amounts to be recorded in the columns headed "Amount" of columns (51) through (63) of Form 317 shall be taken from the **second** Form 355 and the amounts to be recorded in the columns headed "Amount" of columns (68) through (72) of Form 317 shall be taken from the **first** Form 355.

(e) **Controversies between producers as to the amount of penalty paid by each producer.**⁶²—The amount of the penalty paid by each producer determined as indicated in the foregoing paragraphs of this section shall, if the interest of each producer in the cotton marketed is properly shown in item 9 (or in the continuation thereof on an attached list) of Form 313-b or Form 315-b, be pre-

⁶² See sec. 708(b) of the regulations.

sumed to be correct. If any producer claims that the amount of the penalty actually paid by him with respect to any transaction covered by Form 313-b or Form 315-b is in excess of the amount shown for him on Form 355 or determined by multiplying the entry opposite his name in item 9 of Form 313-b or Form 315-b by 3 cents or 2 cents, as the case may be, it shall be incumbent upon the producer alleging that he has paid the larger amount to establish all facts in connection therewith and to show that he has not been reimbursed therefor. Before the computation of the penalty paid by a producer as recorded on Form 317 is changed to show that a producer paid a larger amount of penalty and that another producer has paid a smaller amount of penalty in respect to a transaction, the producer who it is claimed has paid a smaller amount must file a written statement setting forth the amount of the penalty actually paid by him in respect to the transaction.

(f) **Form 311-A.**—When Form 311-A-b is received in the county office, the county office shall examine the information appearing thereon to determine whether it has been properly executed by the producer to whom issued and by the buyer or transferee. If Form 311-A-b has been properly executed it shall be filed in the folder for the farm. If it has been improperly executed, the buyer and the producer shall be required to properly execute Form 311-A.⁶³

(g) **Form 321.**—Any producer to whom Forms 312 and 313 were issued shall be furnished, upon request, blank Form 321 to be executed as provided in section 606 of the regulations in connection with any cotton produced by him the staple of which is $1\frac{1}{2}$ inches or more in length. When Form 321-b has been executed and returned to the treasurer of the county committee, the total number of net pounds covered thereby shall be posted to Form 317 as a **contra entry in red**⁶⁴ as follows:

1. Opposite the producer's name in the next available column entitled "Reference No." of columns (8) through (30) enter the words "Cotton 321."

2. Opposite the producer's name in the next available column entitled "Net pounds ginned" of columns (9) through (31) enter the total net weight of the cotton covered by the Form 321.

3. File the Form 321-b in the folder for the farm.

(h) **Postage in connection with Forms 311-A-b, 313-b, and 321-b.**—The Post Office Department has authorized postmasters to arrange with treasurers of the county committees to collect the postage due on Forms 311-A-b, 313-b, and 321-b⁶⁵ in two ways; namely, (1) to collect the postage due on each card or group of cards at the time of delivery to the treasurer of the county committee or (2) to collect once a month the postage due on all cards delivered to the treasurer of the county committee during the month. Regular postage stamps cannot be used in connection with the cards since the Postal Laws and Regulations require the use of postage-due stamps. Post-

⁶³ See secs. 602 and 802(a)(2) of the regulations.

⁶⁴ If a contra entry in red is made, the amount to be entered in column (32) or (33) of Form 317 shall be the sum of the entries not made in connection with Form 321 minus the sum of the contra entries. See also sec. 225(e) of these instructions.

⁶⁵ Form 315-b is not printed as a business reply card since a penalty is incurred with respect to each transaction covered thereby and it must be submitted to the treasurer of the county committee with the penalty.

age-due stamps cannot be purchased in advance and regular postage stamps cannot be exchanged for postage-due stamps. In case cards are delivered, the postage-due stamps will be affixed to Form 3582a "Postage Due Bill," and, if necessary, Form 3582a-F, "Postage Due Bill Follow Sheet," and delivered with the cards to the treasurer of the county committee upon payment of the postage. **The treasurer should insist that the stamps be affixed to Form 3582a or Form 3582a-F rather than to the business reply cards.** Where the postage is collected at the end of the month, the postmaster will affix postage-due stamps to Forms 3582a and 3582a-F and tender them to the treasurer of the county committee for payment. In either case, the postage due must be paid upon presentation of the postage due bill and the payment **cannot** be deferred until the administrative expense voucher covering the item is paid.

(i) **Reimbursement for postage expenses incurred in connection with Forms 311-A-b, 313-b, and 321-b.** The funds for paying the postage in connection with the cards under either of the methods outlined above may be furnished by the treasurer of the county committee out of his personal funds or a claim therefor may be stated in advance for the estimated amount to be incurred against the administrative expense funds approved in the budget of the county committee. In case the postage due on the business reply cards is paid out of the personal funds of the treasurer of the county committee a claim for reimbursement should be made by him on Form ACP-9, Revised.^{65a} If the possible number of business reply cards to be received in any month will not be large, this method would appear to be desirable since it conforms to the established procedure for supplying the county committee with postage. If the possible number of cards to be received in any month will be large, a claim for the estimated amount of postage expense to be incurred may be stated in the administrative expense voucher for the preceding month. In stating a claim in advance for this purpose, the item should be listed on Form ACP-9, Revised, as in the case of other miscellaneous items, with the following exceptions:

1. In the column headed "Name of individual or firm," enter the name, title, and address of the postmaster from whom the postage due stamps will be purchased.

2. In the column headed "Nature of services or kind of material," enter the words "Estimated postage for cotton marketing quota business reply cards."

3. Make no entry in the columns headed "Quantity" and "Price per unit."

When an advance claim is so stated, no receipt or bill will accompany the statement of administrative expenses to substantiate the item. This modification of the procedure is limited to cases of this **precise** nature and shall not be authorized or used in connection with any other item of administrative expense of the county committee.

^{65a} Claim for reimbursement shall be made in accordance with par. 3(c), pt. C, of sec. I of SR County Association Procedure 101, Revised, in the Southern region; in accordance with WRF-6 in the Western region; and in the North Central region in accordance with a memorandum to Illinois and Missouri, dated September 15, 1938, Re Procedure to be followed by County Association Treasurers under sec. 224(d) of Cotton 208 NCR in paying postage in connection with business reply cards Forms Cotton 211-A-t, 213-b, and 221-b.

Where payment for the postage due is paid out of the personal funds of the treasurer of the county committee and he is reimbursed out of the administrative expense funds in accordance with the established procedure, Forms 3582a and 3582a-F to which the canceled postage-due stamps are affixed shall be filed with the county office copy of the Form ACP-11 containing the receipt from the treasurer of the county committee for the funds paid to him under his claim for expenses in connection with the postage. Where a claim in advance is made for the estimated amount of the postage expense to be incurred in this connection, a receipt from the postmaster on Form ACP-11 must be secured. If the actual amount of the postage due on the cards during the month does not agree with the estimate and the amount advanced, Form ACP-11 must be modified so that the receipt to be obtained from the postmaster will be for the amount of the postage expense actually incurred during the month and paid. Forms 3582a and 3582a-F must be filed with the county office copy of Form ACP-11 containing the receipt from the postmaster. (In the East Central region, expenses in connection with postage for such forms shall be paid out of the administrative expense funds of the association in accordance with existing procedure as set forth in ECR-ADM-222, issued Sept. 12, 1938).

SEC. 234. RECORD OF FUNDS RECEIVED IN CONNECTION WITH THE PENALTIES.

(a) **Time and form of remittance.**⁶⁶—The penalty is due at the time the cotton is marketed,⁶⁷ but may be remitted to the treasurer of the county committee at any time within the 30 calendar days next succeeding the day on which it was marketed.⁶⁸ The penalty shall be remitted only in legal tender or in the form of checks, drafts, or money orders made payable to the order of the **Treasurer of the United States.**⁶⁹ The remittance must be accompanied by Form 313-b or Form 315-b covering the transaction with respect to which the penalty was incurred⁷⁰ and, if the marketing of the cotton was effected by telephone, telegraph, or mail, or by any means or method other than directly to and in the presence of the buyer or transferee, in addition to Form 313-b or Form 315-b a copy of the receipt for the penalty issued by the buyer or transferee to the producer.⁷¹ A single remittance may cover several transactions covered by different Form 313-b or Form 315-b. If the funds are in the form of cash, the treasurer of the county committee shall purchase a postal money order in the amount thereof, payable to the order of the **Treasurer of the United States.** The expenses in connection with purchasing the postal money orders shall be paid from funds provided for the administrative expenses of the county agricultural conservation association.⁷² Each check, draft, or money order shall be received subject to collection and payment at par.⁷³

⁶¹ No attempt is made at this point to give the entire substance of part VII of the regulations and each section thereof should be carefully read in connection with this section of the instructions.

⁶⁷ See sec. 705(a) of the regulations.

⁶⁸ See sec. 706(a) of the regulations.

⁶⁹ See sec. 706(b) of the regulations.

⁷⁰ See secs. 706(b), 802(a)(3), and 802(a)(5) of the regulations.

⁷¹ See secs. 706(b), 802(a)(4), and 802(a)(6) of the regulations.

⁷² See sec. 709 of the regulations.

⁷³ See sec. 706(b) of the regulations.

(b) **Issuance of receipts for funds received in connection with the penalties.**—The treasurer of the county committee shall issue a receipt to the person remitting the penalty.⁷⁴ The receipt shall be on Form 319 (unless Form 319-A is issued as provided in paragraph (e) of this section). Form 319 shall be executed in triplicate. The original shall be delivered to the remitter, the duplicate (yellow copy) forwarded to the State office together with Form 359,⁷⁵ and the triplicate (salmon copy) retained in the county office in a folder for each consecutive unit of 50 receipts in numerical sequence.⁷⁶ Each Form 319 shall be executed as follows:

1. In the space provided enter the State and county code number.
2. Above the words “(Name of remitter)” and “(Full mail address)” enter the name and address, respectively, of the person from whom the treasurer received the remittance.
3. In the space following the words “the sum of” enter, in writing, the amount of the remittance, as for example, “Twenty-five and no/100.”
4. Draw a line through the words “as security for payment of the penalty.”
5. In the column headed “Farm Serial No.” enter the serial number, as shown on Form 313-b or Form 315-b, for each farm in connection with which the remittance was made.
6. In the column headed “Serial No. of Cotton 313” enter the printed serial number of each Form 313 covering the transactions with respect to which the remittance was made.
7. In the column headed “Serial No. of Cotton 315” enter the printed serial number of each Form 315 covering the transactions with respect to which the remittance was made.
8. In the column headed “Name of producer” enter the name of the producer whose name appears in item 1 of the Form 313 or 315.
9. In the column headed “Number of pounds” enter, in the case of Form 313, the amount shown in item 5 thereof and, in the case of Form 315, the amount shown in item 5 plus the smaller of the amounts in items 2 and 3 thereof.
10. In the column headed “Amount” enter the amount of the remittance received in connection with each farm and, opposite the word “Total” in the column headed “Amount” enter the sum of the entries therein which must agree with the total amount of the remittance received.⁷⁷
11. If the funds received are in the form of cash, or partly in the form of cash, enter the word “Cash” in the column headed “Drawer” and in the amount thereof in the column headed “Amount.” On the first and second copies enter in the column headed “Drawer” the letters “USPMO” followed by the name of the post office from which the treasurer of the county committee obtained the postal money order for the amount of the cash and in the column headed “Date” enter the date thereof.⁷⁸

⁷⁴ See sec. 706(a) of the regulations.

⁷⁵ See par. (c) of this section.

⁷⁶ See sec. 203 of these instructions.

⁷⁷ See secs. 225(h) and 225(l) of these instructions. Also see par. (d) of this section.

⁷⁸ See sec. 709 of the regulations.

12. If the remittance is in the form of a check, draft, or money order, the checks, drafts, or money orders shall be described in the receipt as follows:

- a. In the column headed "Date" enter the date of the check, draft, or money order.
- b. In the column headed "Drawer" enter the name of the person who signed the check or draft or who obtained the money order.
- c. In the column headed "Drawee" enter the name of the bank or firm or person on which the check or draft was drawn, or in the case of a postal money order, the letters "USPMO" followed by the name of the issuing post office.
- d. In the column headed "Amount" enter the amount of the check, draft, or money order or the funds received in the form of cash and, opposite the word "Total," enter the sum of the entries made therein.

13. The treasurer of the county committee **shall sign the original and two copies and enter the date of his signature.**

(c) **Deposit of funds.**⁷⁹—All funds received by the treasurer of the county committee in connection with the marketing of cotton shall be transmitted by him on the day received, or not later than the morning of the succeeding day, to the secretary of the State committee. The funds shall be scheduled for transmittal on Form 359 prepared in triplicate. The original and first carbon copy (the yellow copy) shall be forwarded to the State office together with checks, drafts, and money orders and the Forms 319 (the yellow copy thereof) and 319-A (the salmon copy thereof) described therein. The second carbon copy (the salmon copy) shall be retained in the county office in a pending file. The original will be returned as a receipt from the State office and the original and second carbon copy shall then be filed in a folder in the numerical order of the transmittal numbers. Form 359 shall be prepared as follows:

1. In the spaces indicated enter (a) the transmittal number, beginning with No. 1 for the first schedule and continuing thereafter in numerical sequence, (b) the State and county code number, (c) the sheet number and total number of sheets in the schedule, and (d) the marketing year; that is, "1939-40."

2. In either column 1, column 4, or column 7 enter the printed serial numbers of Form 319. The printed serial numbers of Form 319 shall be listed in consecutive order in numerical sequence.

3. In either column 2, column 5, or column 8 enter the printed serial numbers of Forms 319-A.⁸⁰ The printed serial numbers of Forms 319-A shall be listed in consecutive order in numerical sequence after Form 319 has been listed.

4. In either column 3, column 6, or column 9 enter the amount covered by each Form 319 and 319-A⁸¹ and, after the word "Total" in column 9, enter the sum of the entries in columns 3, 6, and 9.

5. The treasurer of the county committee shall execute part I by signing his name on the original and two copies and entering thereon the date of his signature.

⁷⁹ See sec. 709 of the regulations.

⁸⁰ See par. (e) of this section.

⁸¹ See item 10 of par. (b) and item 8 of par. (e) of this section.

(d) **Record on Form 356 of funds received.**—The funds received shall be recorded on Form 356 as follows:

1. In column (10) enter the date on which the funds were received as indicated by the date of the Form 319.

2. Make no entry in column (11).

3. In column (12) enter the printed serial number of the Form 319. If the receipt covers remittances for more than one farm, make the one entry in column (12) for all of the farms covered thereby.

4. In column (13) enter on separate consecutive lines the farm serial number of **each** farm as shown on Form 319.

5. In column (14) enter on separate consecutive lines the amount of the funds received for **each** farm as shown on the Form 319.

6. In column (15) enter the transmittal number of the Form 359 on which the funds were transmitted to the State office.

7. If the checks, drafts, or money orders received are not honored upon presentment for payment, a **contra entry in red** duplicating the information previously entered in part II of Form 356 shall be made in columns (10) through (15) or part II of Form 356.⁸²

8. If subsequently the amount of the dishonored checks, drafts, or money orders is remitted, the procedure outlined above in this subsection shall be followed.

(e) **Payment of the penalty prior to the marketing of cotton.**—If a producer to whom a Form 312 and book of Forms 313 or Form 314 and book of Forms 315 were issued tenders the penalty, for which he would be liable upon the marketing of any cotton, prior to the time such cotton is marketed, as provided in section 705 (c) of the regulations, the treasurer of the county committee shall receive the penalty and issue a receipt therefor on Form 319-A, prepared in quadruplicate, distributed, and dealt with as follows:

1. A **separate receipt** shall be prepared for **each bale** of cotton with respect to which the penalty is tendered.

2. In the spaces indicated enter the printed serial number of the producer's Form 312 or 314, as the case may be, and the State and county code number.

3. Above the words "(Name of producer)" and "(Full mail address)" enter the name and address, respectively, of the producer.

4. In the space following the words "the sum of" enter, in words, the amount of the penalty paid, as for example, "Fifteen and no/100."

5. In the space following the words "one bale containing" enter the net weight of the bale of cotton with respect to which the penalty is tendered.

6. In the space following the words "or mark" enter the gin bale number or mark of such bale.

7. In the space following the words "Serial No." enter the serial number of the farm.

8. After the dollar mark above the word "Amount" enter, in figures, the amount of the penalty tendered with respect to such bale which must agree with the amount thereof entered in words in the body of part I.

9. The treasurer of the county committee shall sign the original and the three copies and enter on each the date of his signature.

⁸² If a **contra entry in red** is made, the total of column (14) of Form 356 shall be the sum of the other entries therein minus the sum of the contra entries.

10. The producer shall sign his name in the space indicated on the original and the three copies and enter on each the date of his signature.

11. The original and first copy (yellow copy) shall be delivered to the producer and the third and fourth copies (salmon and green copies) retained by the treasurer of the county committee.

12. The funds received shall be scheduled for deposit in the special deposit account as provided in paragraph (c) of this section, and the information shown on the Form 319-A shall be posted to Form 356 in the manner outlined in paragraph (d) of this section except that the legend "Cotton 319-A" shall be entered in column (12) above the printed serial number of Form 319-A.

13. Form 319-A shall be placed in a pending file until the related Form 313-b or 315-b is returned to the county office as provided in sections 802(a)7 and 804(a)6 of the regulations. The data on Form 313-b or 315-b and the related Form 319-A shall be posted to Form 317 as provided in sections 225(h) and 225(l) of these instructions. The fourth copy of Form 319-A shall then be filed in a folder for each consecutive unit of 50 receipts in numerical sequence.⁸³

(f) **Uncollectible items.**—If any check, draft, or money order is not honored upon presentment for payment, the check, draft, or money order will be returned to the treasurer of the county committee. The treasurer of the county committee shall notify the drawer of the check or draft or the person who obtained the money order of the return of the item and of the reasons therefor and he shall be requested to make an acceptable remittance in the amount due. A **contra entry in red** duplicating the information previously entered on Form 317 in connection with the remittance shall be made. A similar contra entry in red shall be made on Form 356.⁸⁴ The total of the original Form 359 shall be lined out and the original total thereof less the total amount of the uncollectible items shall be entered in lieu thereof and the entry initialed and dated by the treasurer of the county committee. Enter the word "Uncollectible" opposite the entry for the uncollectible item on Form 359. A new remittance replacing the one previously returned as being uncollectible shall be handled in every respect as if it were an original item with the exception that a notation shall be made in the body of the new Form 359 that the remittance represents the recovery of the amount of the uncollectible remittance previously scheduled under transmittal No. _____ of Form 359, and schedule No. _____ of Standard Form No. 1044, revised, and for which the receipt on Form 319 (or 319-A) No. _____ was issued.

(g) **Transfers from the 1938-39 Cotton Special Deposit Trust Account to the 1939-40 special deposit account.**—Where funds are transferred from the 1938-39 Cotton Special Deposit Trust Account to the 1939-40 special deposit account under any of the conditions, other than to be applied as funds to be held in escrow to secure the payment of the estimated penalty during the 1939-40 marketing year, enumerated in item 27 of section 224 of these instructions,⁸⁵ the treasurer of the county committee shall draw a check payable to the order

⁸³ See sec. 203 of these instructions.

⁸⁴ See item 7 of par. (d) of this section.

⁸⁵ See also sec. 225(h)7 of these instructions.

of the Treasurer of the United States against the 1938-39 cotton special deposit trust account in the amount to be so transferred. The check shall be scheduled for deposit and transmitted to the State office on a **separate Form 359** in the manner outlined in paragraph (c) of this section with the exception that the legend "1938—Transfer" shall be entered in column 1 thereof and the 1939 farm serial number in connection with which the funds are to be held shall be entered in column 2 thereof and a statement in full of all facts in connection with the transfer shall be attached thereto. The transaction shall be recorded on Form 356 in the manner outlined in paragraph (d) of this section with the exception that the legend "1938—Transfer" shall be entered in column (12) thereof. The issuance of the check shall be recorded in part IV of Form 256, as follows:

1. In column (14) enter the date of the check drawn by the treasurer of the county committee payable to the order of the Treasurer of the United States.

2. In column (15) enter the number of such check.

3. Make no entry in column (16).

4. In column (17) enter the remittance schedule number of Form 359.

5. In column (18) enter the words "Treasurer of the United States, 1938—Transfer."

6. In column (19) enter the amount of the check drawn payable to the order of the Treasurer of the United States.

SEC. 235. BUYERS FAILING OR REFUSING TO REQUIRE COTTON TO BE IDENTIFIED BY MARKETING CARDS OR TO COLLECT A PENALTY OR TO REMIT TO THE TREASURER OF THE COUNTY COMMITTEE ANY PENALTY COLLECTED.

(a) **Request for Form 320.**—The buyer should be requested to make a report on Form 320 to the county committee on all cotton purchased by him during the marketing year. The county committee must make the request for the execution of Form 320 strictly in accordance with section 802(b) of the regulations. In order that the buyer may be informed of the facts on which the request to submit Form 320 is predicated, the letter containing the request should set forth each instance wherein the committee has reason to believe that the conduct of the buyer contravened the provisions of the act and regulations and the amount of any penalty which the buyer under the circumstances was required to collect and remit to the treasurer of the county committee. The letter should also contain a citation to the applicable sections of the act and regulations, and a copy of the regulations should accompany the letter.

(b) **Failure to require the identification of cotton.**—If the buyer has purchased cotton from a producer without requiring the producer to identify the cotton by the use of marketing cards, the attention of the buyer should be directed to part VI, and section 802 of the regulations and sections 372, 373, and 375 of the act. It should be pointed out to him that section 601 of the regulations provides that the buyer shall, unless the cotton purchased is identified by the producer by the use of cotton marketing cards, deem the cotton to be subject to the penalty provided for in section 348 of the act, which, under section 372(a) of the act, shall be collected by the buyer and remitted to the Secretary of Agriculture in accordance with the

regulations prescribed under section 372(b) of the act. The buyer should be referred to sections 705 and 706 of the regulations, wherein it is provided that the penalty shall be due at the time the cotton is marketed and that the penalty shall be remitted to the treasurer of the county committee not later than 30 calendar days next succeeding the day on which the cotton was marketed by the producer.

(c) **Failure or refusal to collect the penalty.**—If the buyer purchased cotton from a producer, and the cotton was identified to him by the use of marketing cards as being marketed subject to the penalty, and the penalty was not collected by the buyer, the attention of the buyer should be directed to part VI and section 802 of the regulations and sections 372 and 373 of the act. It should be pointed out to him that section 372 of the act requires the buyer to collect the penalty incurred with respect to the marketing of cotton by sale and that the amount of the penalty incurred, pursuant to sections 705 and 706 of the regulations, became due at the time the cotton was marketed and was required to be remitted by him to the treasurer of the county committee not later than 30 calendar days next succeeding the day on which the cotton was marketed by the producer.

(d) **Failure or refusal to remit the penalty.**—If the buyer collected a penalty from a producer and failed or refused to remit the penalty to the treasurer of the county committee, the attention of the buyer should be directed to sections 705, 706, and 802 of the regulations and sections 372 and 373 of the act. The buyer should be further advised that, when he collects the penalty, the amount collected must be remitted to the treasurer of the county committee within the period specified in section 706 of the regulations and that any action to the contrary is against the specific provisions of the law and regulations and constitutes an unlawful detention and use of the funds collected.

(e) **General.**—In addition to the foregoing, the buyer in each case should be advised that, pursuant to sections 712 and 806 of the regulations, the county committee is under a duty to report any case where the buyer is actually in default in order that proceedings under section 376 of the act may be instituted to enforce specifically the provisions of the act. The county committee or one of its members should endeavor to confer personally with the buyer.

(f) **Continued default of buyer.**—If Form 320 is not received within 15 calendar days after the request therefor is forwarded to the buyer by registered mail, or if Form 320 is received and the penalties are not remitted by him, or if he continues in default in both respects a report **in quintuplicate** should be prepared and the original and three copies thereof transmitted to the State committee. The report should show the name and full mail address of the buyer and of each producer from whom, according to the information of the county committee, the buyer purchased cotton and failed or refused to conform to the act and the regulations in purchasing the cotton. The report should also show a full and particular description (in addition to the farm serial number) of the farm on which the cotton was produced, the date on which the cotton was purchased and the place at which the transaction occurred, the amount of the penalty incurred and the amount thereof which was or was not collected. In

addition, the same number of copies of all correspondence from the county committee to the buyer and the producers and replies thereto and any statements made by the buyer and the producers should accompany the report. In the event the Form 320 submitted by the buyer indicates that a penalty was incurred with respect to the marketing of any cotton purchased by the buyer which was not collected and remitted by him to the treasurer of the county committee, the buyer should be so notified and requested to remit the amount thereof without further delay to the treasurer of the county committee. Where the Form 320 indicates that cotton produced in any other county was purchased by the buyer, the county committee for each other such county should be notified in writing so that it may be determined whether the buyer is in default with respect to the remittance of penalties to its treasurer.

(g) Payments to producers from whom the penalty should have been collected.—While the county committee is attempting to enforce the provisions of the act and regulations in the manner indicated above, no check for any payment under any program or law which may be or become due to any producer from whom the buyer should have collected the penalty shall be delivered to the producer until the provisions of the act and the regulations are satisfied. However, where the buyer has collected the amount of the penalty and failed or refused to remit it to the treasurer of the county committee, and the producer is not conniving in such failure or refusal, there is no ground for withholding payments which may be or become due to the producer from whom the buyer collected the penalty. In the type of case last mentioned, the county committee should secure from the producer a copy of the receipt issued by the buyer for the amount of the penalty collected and a statement signed by the producer showing the facts in regard to the collection of the penalty.

SEC. 236. PRODUCERS FAILING OR REFUSING TO REMIT A PENALTY TO THE TREASURER OF THE COUNTY COMMITTEE.

(a) Producer's liability to remit penalty distinguished from that of buyer.—The liability of a producer to remit the penalty, as distinguished from the liability of the buyer to collect and remit the penalty, will generally arise under the following circumstances:

- (i) A white marketing card was erroneously issued to a producer;
- (ii) Cotton produced in excess of the farm marketing quota was identified when marketed by a white marketing card issued with respect to another farm and was purchased in good faith by a buyer who had no knowledge of the misuse of the card; or
- (iii) Cotton produced in excess of the farm marketing quota was delivered in payment of a standing or fixed rental or other charge for land and the producer and transferee did not agree, as provided in section 705(b) of the regulations, that the penalty should be collected and remitted by the transferee. Where the circumstances are such as are referred to in this section, the procedure outlined in section 235 of these instructions is inapplicable and a demand for the amount of the unpaid penalty must be made on the producer rather than on the buyer. The demand should be made in writing and forwarded, together with a copy of the regulations, by registered mail (return receipt requested) to the producer. After the demand has been forwarded to the producer, a member of the county

committee should call on the producer and endeavor to discuss with him the applicable provisions of the act and regulations with a view to obtaining the payment of the penalty.

(b) **White marketing card erroneously issued to producer.**—In the cases referred to in (i) of paragraph (a) of this section, the letter from the county committee to the producer should explain that the issuance of a white marketing card does not in and of itself relieve the producer of his liability for the penalty imposed by section 348 of the act if cotton is marketed in excess of the farm marketing quota, and that section 372(b) of the act provides that the person liable for the penalty under the facts in his case shall remit the penalty in accordance with the regulations. The letter should also point out that the regulations, in sections 705 and 706, provide that the penalty is due at the time the cotton is marketed and must be remitted to the treasurer of the county committee not later than 30 calendar days thereafter.

(c) **Cotton produced in excess of the farm marketing quota identified when marketed by a white marketing card issued to another producer.**—The cases referred to in (ii) of paragraph (a) of this section involve an improper use of the cotton marketing cards in an attempt to falsify the records in regard to the production of cotton or the production and marketing of cotton by a producer who is liable for the penalty provided in section 348 of the act and would render the producers, as well as the buyer, unless he acted in good faith without knowledge of the misuse of the cards, engaging in the transaction amenable to the statutes punishing frauds, attempts to defraud, or conspiracies to defraud the Government. When the county committee has reason to believe that one or more producers have engaged in a transaction of this kind, the county committee should discuss the matter with the producers involved and explain the circumstances to them in order that they may adjust the records and pay the penalties accordingly. Where violations of this kind have been attempted, the county committee should endeavor to establish the full facts in connection with each case by obtaining information in regard to the ginning and sale of all cotton from both farms in the form of statements from the producers and from the ginners and buyers of their cotton.

(d) **Marketing by barter or exchange.**—Where the facts in (iii) of paragraph (a) of this section are found to exist, the letter from the county committee should direct the attention of the producer to sections 705, 706, and 804(a)4 of the regulations and explain to him that, pursuant to section 372(b) of the act, the amount of the penalty incurred is due and payable. The letter should also direct the attention of the producer to the definition of the terms "barter" and "exchange" as used in section 101(b) (35) of the regulations in defining the term "market."

(e) **General.**—In addition to the foregoing, the producer in each case should be advised that, pursuant to sections 712 and 806 of the regulations, the county committee is under a duty to report any case where the producer is actually in default in order that proceedings under section 376 of the act may be instituted specifically to enforce the provisions of the act.

(f) **Continued default of producer.**—If the penalties are not remitted to the treasurer of the county committee, a report in **quintuplicate** should be prepared and the original and three copies thereof transmitted to the State office. The report should show the name and full mail address of the buyer and of each producer and a full and particular description (in addition to the farm serial number) of the farm on which the cotton was produced, the date on which the cotton was marketed, and the place at which the transaction occurred, if the county committee has knowledge of these facts, the amount of the penalty incurred, and the amount thereof which was or was not paid. In addition, the same number of copies of all correspondence from the county committee to the producer and replies thereto and any statements made by the producer should accompany the report.

SEC. 237. APPORTIONMENT AND REAPPORTIONMENT OF PRODUCER MARKETING QUOTAS.⁸⁶

(a) **Initial reapportionment.**—Producer marketing quotas are established for each farm. If there is only one producer on the farm, he is entitled to the entire amount of the farm marketing quota as his producer marketing quota. If Form 317 is not prepared for a farm, the apportionment of producer marketing quotas will not be made, since in that event white marketing cards will be issued to the producers and their producer marketing quotas will be equal to the amount of their share in the cotton produced in 1939 on the farm plus the amount of their carry-over penalty-free cotton.⁸⁷ For farms for which Form 317 is prepared, producer marketing quotas shall **first** be apportioned pursuant to item (1) of section 304 of the regulations **prior to the time any marketing cards are issued to the producers.**⁸⁸ The issuance of a white marketing card under section 501(b), 501(c), or 501(d) of the regulations does not alter the requirement that producer marketing quotas shall be so apportioned.⁸⁹ The county committee is authorized under item (4) of section 304 of the regulations to change, upon application therefor by a producer, the apportionment under item (1) thereof so that the producer marketing quotas will be fair and equitable. This provision, while not limited to, is primarily applicable to cases where the productivity of the various producer units on the farm is not the same and particularly so if, in addition, one or more of the producers have carry-over penalty cotton. In such cases the county committee should discuss with the farm operator the relative productivity of the various producer units in order that initial producer marketing quotas may be apportioned in view of the relative productivity of the producer units rather than under item (1) of section 304 of the regulations, which distributes the normal production of the farm acreage allotment among the producers according to their shares in the acreage planted to cotton. **Comment:** In 1939, for example, producer A and producer B have planted the same number of acres of cotton on the farm and the producer marketing quotas apportioned under item (1) of section 304 of the regulations are as follows: A 2,000 pounds; B 2,000 pounds; and the operator 4,000 pounds. A has 1,000 pounds of carry-over penalty cotton. The land

⁸⁶ See also sec. 301 of the regulations.

⁸⁷ See item (6) of sec. 304 of the regulations.

⁸⁸ The computation of initial producer marketing quotas is described in sec. 225(c) of these instructions.

⁸⁹ See sec. 707(g) of the regulations.

of B is twice as productive as that of A. No adjustment is made under item (4) of section 304 of the regulations. In 1939 the total production on the farm is 8,000 pounds, in which the producers share as follows: A 1,000 pounds; B 3,000 pounds; and the operator 4,000 pounds. When the final production is determined A has marketed under his red marketing card his share in the 1939 production as well as the carry-over penalty cotton of 1,000 pounds and has paid no penalties. The reapportionment of producer marketing quotas under item (3) of section 304 of the regulations does not permit the reduction of the producer marketing quota of A below his share in the 1939 production plus the carry-over penalty cotton marketed at that time. B will pay a penalty of \$30 on the marketing of all of his cotton and would be entitled to a refund of only \$10, since a penalty of \$20 is due with respect to all cotton marketed from the farm. If an adjustment under item (4) of section 304 of the regulations is made at this time to give a producer marketing quota to each producer equal to his share in the cotton produced in 1939, the increase in the producer marketing quota for B cannot be made available to him unless and until A pays the penalty of \$20.

(b) **Intermediate reapportionment.**—Producer marketing quotas as first determined may be reapportioned under item (2) of section 304 of the regulations prior to the time the total amount of cotton produced on the farm is determined when the reports of cotton produced (on Forms 316 and 326) show that the actual average yield per acre at that time is greater than the normal yield per acre. Prior to the time any intermediate reapportionment is made, the share of each producer in the cotton produced as shown in columns (8) through (31) of Form 317⁹⁰ must be verified by the operator and, if necessary, by other producers and any necessary adjustments made therein. As a rule, not more than two intermediate reapportionments should be made. Intermediate reapportionments, while not limited to, are particularly applicable to underplanted farms in connection with which one or more producers have carry-over penalty cotton, since, except in cases where one or more of the producers have completed the harvesting of all cotton grown by them, the intermediate reapportionment results in a percentage increase in the producer marketing quotas previously apportioned.⁹¹ Where one or more of the producers have completed the harvesting of all cotton grown by them, the amount of the producer marketing quota for each such producer is subject to two limitations; namely, (i) it cannot be less than the producer marketing quota previously apportioned to him, if his share in the total production equals or exceeds it, and (ii) it cannot be more than his share in the total production plus the carry-over penalty cotton he has marketed at the time of the intermediate reapportionment.⁹² If an intermediate reapportionment under item (2) of section 304 of the regulations is not fair and equitable, the county committee may, under item (4) of section 304 of the regulations, alter the reapportionment under item (2) so that it will be fair and equitable to all producers concerned.

⁹⁰ See sec. 225(e) of these instructions.

⁹¹ The computation of an intermediate reapportionment is described in sec. 225(f) of these instructions.

⁹² See the next to the last sentence in item (2) and the last sentence in item (3) of sec. 304 of the regulations.

(c) **Final reapportionment.**—As soon as possible after all cotton has been harvested in 1939 on a farm for which a Form 317 was prepared, the producer marketing quota previously apportioned shall be reapportioned under either item (2) or (3) of section 304 of the regulations on the basis of each producer's share in the total production on the farm.⁹³ The producer marketing quota for any producer as finally determined is subject to two limitations; namely, (1) it cannot be less than the producer marketing quota previously apportioned to him, if his share in the total production is in excess of it, and (2) it cannot be more than his share in the total production plus the carry-over penalty cotton he has marketed at the time of the final reapportionment.⁹⁴ Before a final reapportionment is made, the farm operator and, if necessary, the other producers must verify the share of each producer in the total production as shown in column (32) of Form 317, and the correct share of each producer must be entered in column (33) of Form 317.⁹⁵ If there is only one producer unit on the farm and the farm marketing quota is not increased—in other words, the normal yield per acre is greater than the actual average yield of the planted acreage—the final adjusted share in the normal production of the farm acreage allotment to be entered in column (46) of Form 317 will be the same as that shown in column (3) thereof and no reapportionment will be necessary. If there is no carry-over penalty cotton in connection with the farm and the farm is an underplanted farm, the share in the greater of the normal or actual production of the farm acreage allotment to be shown in column (46) of Form 317 shall be the share of each producer in the total production in 1939 on the farm. If there is no carry-over penalty cotton in connection with the farm and the farm is an overplanted farm where the total production of the acreage planted to cotton is equal to or less than the normal production of the farm acreage allotment, the share of each producer therein to be shown in column (46) of Form 317 shall be the share of each producer in the total production in 1939 on the farm. If the final reapportionment under item (2) or (3) of section 304 of the regulations is not fair and equitable, the county committee may, under item (4) of section 304 of the regulations change the reapportionment under item (2) or (3) so that it will be fair and equitable to all producers concerned.

(d) **Adjustments by the county committee.**—If an apportionment or reapportionment is changed under item (4) of section 304 of the regulations, the change must be predicated on a request from a producer for a review of the apportionment or reapportionment under items (1) or (2) or (3) of section 304 of the regulations. However, the county committee should discuss the matter with the farm operator or other producers when it is apparent that an adjustment might properly be made under item (4) to determine whether one or more of the producers want an adjustment. If an apportionment or reapportionment is made under item (4), the change cannot increase the amount of the farm marketing quota but must be an adjustment as

⁹³ See sec. 225(e) and sec. 226 of these instructions.

⁹⁴ See the next to the last sentence in item (2) and the last sentence in item (3) of sec. 304 of the regulations.

⁹⁵ The computation of the final reapportionment is described in sec. 225(g) of these instructions.

between producers.⁹⁶ A memorandum showing the basis of any apportionment or reapportionment under item (4) must be made by the county committee and filed in the folder for the farm.

(e) **Carry-over penalty-free cotton.**—The amount of carry-over penalty-free cotton in connection with the farm together with the greater of the actual or normal production of the farm acreage allotment constitutes the farm marketing quota and the amount of each producer's carry-over penalty-free cotton plus his share in the greater of the actual or normal production of the farm acreage allotment apportioned to him under items (1), (2), and (3), or as adjusted under item (4), of section 304 of the regulations constitutes each producer's producer marketing quota.⁹⁷ However, the amount of carry-over penalty-free cotton pledged as security for a Commodity Credit Corporation loan (shown in column (6) of form 317) is not to be included in the amount for which any red marketing card is issued unless and until it is withdrawn from the loan.⁹⁸

(f) **Limitations on the amount of producer marketing quotas.**—The producer marketing quota or the sum of all producer marketing quotas with respect to any farm as evidenced by red marketing cards issued to or for the producers thereon, exclusive of any canceled marketing cards, shall not exceed the sum of (1) the normal production of the farm acreage allotment or actual production of the farm acreage allotment, whichever is the greater, and (2) the amount of carry-over penalty-free cotton **not** pledged as security for a Commodity Credit Corporation loan.

SEC. 238. PENALTIES SECURED BY BONDS OR MONEY HELD IN ESCROW.

(a) **Conditions under which bonds or money to be held in escrow will be accepted.**⁹⁹—A bond of indemnity on Form 323 or funds deposited to be held in escrow may be accepted for the following types of farms: (1) an overplanted farm in connection with which there is either carry-over penalty cotton or no carry-over penalty cotton and it is estimated that a penalty will be incurred in connection with the marketing of cotton from the farm, or (2) an underplanted farm in connection with which one or more producers have carry-over penalty cotton and it is estimated that a penalty in connection with the marketing of cotton from the farm will be incurred. A separate bond or amount of funds to be held in escrow must be tendered in connection with each such farm in which any of the producers thereon have an interest.¹ The bond or funds to be held in escrow must be tendered prior to the time any cotton is marketed from the farm and prior to the time the total production thereon in 1939 is determined. If they are not so tendered they shall not be accepted.² The owner or operator who executes the bond as principal or who tenders the funds to be held in escrow must be of good character and reputation in the community in which he resides and, in the opinion of the county committee, financially able to answer for the amount of the penalties. Each surety under a bond of indemnity shall be an owner of real property situated within the county and, in addition, shall be eligible to receive

⁹⁶ See item (7) of sec. 304 of the regulations.

⁹⁷ See sec. 301 and item (6) of sec. 304 of the regulations.

⁹⁸ See sec. 502 of the regulations.

⁹⁹ See sec. 707 of the regulations.

¹ See sec. 707(f) of the regulations.

² A bond or funds to be held in escrow are intended to secure the payment of a contingent penalty, the amount of which is yet to be ascertained.

a payment under the 1939 Agricultural Conservation Program of not less than the amount of the principal sum of the bond. Neither an employee of the County Agricultural Conservation Association nor a member of the county or community committee nor the secretary or treasurer of the county committee may be a surety. In no event shall a bond or funds to be held in escrow be accepted if the county committee determines, in view of all the circumstances, that the acceptance thereof is not justifiable.

(b) **Estimating the penalty secured and amount of bond or funds in escrow.**³—The county committee shall have the yield of the cotton crop appraised after bolls are formed. The number of pounds of lint cotton estimated to be produced in 1939 on the farm in excess of the farm marketing quota shall be the result obtained by subtracting from the total estimated production in 1939 the amount of the normal production of the farm acreage allotment. The number of pounds of carry-over penalty cotton shall be the sum of the entries in columns 15 and 19 of Form 350.⁴ The amount of the bond or funds in escrow shall not be less than the sum of the following: (1) the amount determined by multiplying 3 cents by the number of pounds so estimated to be produced in excess of the farm marketing quota, and (2) the amount determined by multiplying 2 cents by the number of pounds of carry-over penalty cotton. A memorandum showing the basis for determining the amount of the estimated penalty shall be filed in the farm folder.

(c) **Placing funds in escrow.**⁵—Any funds delivered by the owner or operator of the farm to be held in escrow shall be only in legal tender or in the form of a cashier's check or money order drawn payable to the order of the **Treasurer of the United States**. The treasurer of the county committee shall issue a receipt on Form 319 to the person depositing the funds. The receipt shall be prepared as outlined in section 234(b) of these instructions with the exception that the words "in payment of the penalty" shall be deleted instead of the words "as security for payment of the penalty." The funds shall be scheduled for deposit and transmitted to the State office in the manner outlined in section 234(c) of these instructions. The receipt of the funds to be held in escrow shall be recorded on Form 317 as provided in section 225(i) and 225(m) of these instructions. The treasurer of the county committee shall record the receipt of the funds to be held in escrow in part I of Form 356 as follows:

1. In column (1) enter the date on which the funds were received as indicated by the date of the Form 319.

2. In column (2) enter the printed serial number of the Form 319.

3. In column (3) enter the serial number of the farm.

4. In column (4) enter the amount of the funds received as shown on the Form 319.

5. In column (5) enter the transmittal number of the Form 359 on which the funds were transmitted to the State office.

(d) **Execution of bond.**⁶—If a bond on Form 323 is executed by the owner or operator and two sureties, the county committee shall

³ See sec. 707(d) of the regulations.

⁴ See items 15, 16, 19, and 20 of sec. 224 of these instructions.

⁵ See sec. 707(c) of the regulations.

⁶ See sec. 707(b) of the regulations.

verify the sufficiency and form of the bond and indicate its approval as follows:

1. In the spaces provided enter the State and county code and farm serial number and the bond serial number. The bond serial number shall be number "1" for the first bond approved and continue thereafter in numerical sequence for bonds subsequently approved.

2. Determine that—

- a. The name of the owner or operator of the farm appears thereon as principal;
- b. The names of the county and State have been entered;
- c. The names of the two sureties have been entered;
- d. The amount of the principal sum entered is not less than the estimated amount of the penalty to be incurred;⁷
- e. The date and place of execution are properly shown;
- f. The amount of cotton estimated to be produced in excess of the farm marketing quota, determined as provided in paragraph (b) of this section has been entered;
- g. The amount of carry-over penalty cotton, as shown in columns 15 and 19 of Form 350, has been entered;
- h. The signatures and addresses of the principal and two sureties appear thereon and agree with the names entered above in the body of the bond;
- i. The signatures of the principal and two sureties were witnessed by two disinterested persons who entered their signatures and addresses in the spaces provided; and
- j. The "Justification of Sureties" has been completed and **executed and acknowledged before a proper officer.**

3. If the county committee finds that the bond has been properly executed and that, to the best of its knowledge and belief, the sureties are good and sufficient, the "Certificate of County Committee" shall be executed by a member of the committee.⁸

4. The original shall be delivered to the treasurer of the county committee, one copy retained by the principal, and one copy retained by each of the sureties.

(e) **Cancellation of red and blue marketing cards previously issued.**⁹—If Forms 312 and 313 or 314 and 315 were issued to producers on the farm prior to the execution of the bond or the depositing of the funds to be held in escrow, the Forms 312 and 313 and 314 and 315 must be returned to the county committee prior to the time any Forms 311 are issued. The Forms 312 and 314 shall be canceled by stamping across the face thereof in bold letters the legend "Canceled" and the same legend shall be so stamped or endorsed on each set of Forms 313 and 315 in the books accompanying the Forms 312 and 314. In column J of Form 310-A on the same line with the serial number of the Forms 312 and 314 enter the legend "Bond" or "Escrow," as the case may be. The canceled forms 312 and 313 and Forms 314 and 315 shall be filed in the folder for the farm.

(f) **Issuing white marketing cards.**¹⁰—After the bond of indemnity on Form 323 has been approved or after the funds tendered to be

⁷ See par. (b) of this section.

⁸ See the conditions set forth in par. (a) of this section.

⁹ See the next to the last sentence in sec. 501(b) of the regulations.

¹⁰ See sec. 501(a) of the regulations.

held in escrow have been scheduled for deposit in the 1939-40 special deposit account and any Forms 312 and 313 or 314 and 315 theretofore issued have been canceled, the county committee shall issue Forms 311 to the producers on the farm in accordance with section 219 of these instructions, except that:

1. A separate listing on Form 310-A shall be prepared.

2. Stamp the words "Penalty secured" across the face of each Form 311.

3. Enter the words "Bond" or "Escrow," as the case may be, above the title of Form 310-A.

(g) **Record of cotton produced.**—The record of cotton produced shall be taken from the ginner's report on Form 316 and from Form 326 and recorded in columns (8) through (33) of Form 317 in the manner indicated in section 225 (e) of these instructions.

(h) **Apportionment and reapportionment of producer marketing quotas.**—The acceptance of a bond or funds to be held in escrow does not alter the requirement that producer marketing quotas be apportioned and reapportioned as provided in section 304 of the regulations.¹¹ At the time the bond or funds are accepted, the county committee shall furnish the owner or operator with a listing showing the name of each producer on the farm and his share in the farm marketing quota as determined under item (1), or as adjusted under item (4), of section 304, and each producer shall be notified by mail of the amount of his producer marketing quota. A similar listing shall be furnished to the owner or operator and a similar notice to each producer shall be given immediately after the producer marketing quotas are finally reapportioned under items (2) or (3) or under item (4) of section 304 of the regulations.

(i) **Farm operator's report.**¹²—If a bond of indemnity on Form 323 or funds to be held in escrow to secure the payment of the penalty were accepted for the farm, the farm operator shall, within 30 days after all cotton on the farm has been marketed or on March 1, 1940, whichever is the earlier, be requested to report to the county committee in the manner outlined in section 226 of these instructions the total amount of cotton marketed in connection with the farm by each producer. The total amount of cotton marketed shall be presumed to be not less than the sum of the following: (1) the amount of cotton produced on the farm in 1939 as shown on line 11 of column (33) and any amount of lint in seed cotton which has not been ginned, and (2) the amount of cotton on hand at the beginning of the marketing year as shown in columns (4), (5), (6), and (7). If the amount of the cotton marketed as reported by the farm operator is less than that amount, the figures of the farm operator shall **not** be accepted unless the farm operator accounts for the difference by establishing to the satisfaction of the county committee the amount of cotton which he has on hand at the time of the report, including cotton pledged as security for a Commodity Credit Corporation loan, or the amount of cotton destroyed by fire or otherwise, or the amount by which the weight of the cotton when marketed was less than the weight thereof as reported by the ginner. In case cotton has not been marketed, a

¹¹ See sec. 707(g) of the regulations and secs. 225(c), 225(f), 225(g), and 237 of these instructions.

¹² See sec. 804(b) of the regulations.

representative of the county office shall determine the amount of cotton on hand by actual inspection of the cotton or by an examination of warehouse receipts, or in the case of cotton pledged as security for a Commodity Credit Corporation loan, by examination of a copy of the producer's loan agreement. The representative of the county office shall make a memorandum showing the time of the inspection of the cotton or the examination of the warehouse receipts or the producer's loan agreement, the place at which the cotton is stored, an identification of each bale, such as the gin bale number or mark, the weight of each bale, and the method employed in arriving at the weight of the cotton in each bale or in estimating the amount of lint in seed cotton. If cotton was destroyed by fire or otherwise, the farm operator must make a written and signed statement of all facts in connection with the destruction which is verified by a written and signed statement of a disinterested person who has knowledge of the facts and the statements must be approved by the county committee. If the difference is accounted for by reason of the fact that the weight of the cotton when marketed was less than the weight when ginned, copies of the sales receipts issued by the buyer to the producer must be filed with the county office and approved by the county committee. If all of the cotton has not been marketed as of March 1, 1940, an *additional and separate* report shall be made as indicated above not later than 30 days after all of the cotton is marketed or August 1, 1940, whichever is the earlier.

(j) **Record on Form 317 of cotton marketed and unmarketed.**—When all cotton on the farm has been marketed or on August 1, 1940, if all cotton on the farm has not been marketed as of that date, the total amount of cotton marketed from the farm and the remaining unmarketed cotton shall be entered on Form 317 as follows:

1. On line (a) of column (75) enter the total amount of cotton marketed by or for each producer.

2. If there was no carry-over penalty cotton in connection with the farm or if the only carry-over penalty cotton was and still is pledged as security for a Commodity Credit Corporation loan, the record of the penalty incurred shall be completed as follows:

a. On line (a) of column (65) enter the total amount of cotton marketed by or for each producer.

b. On line (a) of column (76) opposite the name of each producer enter the result obtained by subtracting from the entry on line (a) of column (65) the amount shown opposite his name in column (47).¹³

c. On line (b) of column (76) opposite the name of each producer enter the product obtained by multiplying the entry on line (a) thereof by 3 cents.

3. If there was carry-over penalty cotton in connection with the farm that is not pledged as security for a Commodity Credit Corporation loan, that is, an entry appears in column (5) of Form 317, the record of the penalty incurred shall be computed as follows:

a. On line (a) of column (76) opposite the name of each producer enter the result obtained by subtracting the entry in column (47) from the entry on line (a) of column (75).

¹³ See sec. 225(g)23 of these instructions.

- b. On line (a) of column (77) opposite the name of each producer for whom carry-over penalty cotton not pledged as security for a Commodity Credit Corporation loan is shown in column (5), enter the result obtained by subtracting the entry in column (47) from the entry in column (75), except that the entry in column (77) shall not exceed the entry in column (5).
- c. On line (a) in column (78) opposite each producer's name enter the result obtained by subtracting from the entry in column (75) the *sum* of the entries in columns (47) and (77).
- d. On line (b) of column (78) enter the product obtained by multiplying the entry on line (a) thereof by 3 cents.
- e. On line (b) of column (77) enter the product obtained by multiplying the entry on line (a) thereof by 2 cents.
- f. On line (b) of column (76) enter the sum of the entries on line (b) in columns (77) and (78).
- g. The sum of the entries in columns (76), (77), and (78) shall be entered on lines 11(a) and 11(b) thereof.
- h. The entry on line (a) of column (74) for each producer shall be the amount on line (a) in column (77).
- i. The entry on line (a) of column (65) for each producer shall be the result obtained by subtracting from the entry on line (a) of column (75) the amount on line (a) of column (77).
- j. The amount of unmarketed cotton shall be entered in columns (84) through (89) in the manner outlined in section 225 (s) of these instructions. If all of the cotton on the farm has not been marketed as of March 1, 1940, a memorandum of the facts as of that date shall be signed by the farm operator and filed in the folder for the farm. If, at the time of making the report on March 1, 1940, or at any subsequent date prior to August 1, 1940, the only unmarketed cotton is pledged as security for a Commodity Credit Corporation loan, the report of the farm operator shall be considered as final unless and until the cotton so pledged is withdrawn from the loan.

(k) **Payment of the penalties in the case of funds held in escrow.**¹⁴—The sum of the entries made in columns (51) through (63) of Form 317, as provided in section 225 (i) of these instructions, shall be entered in column (64) of Form 317 and the total thereof entered on line 11(a) and 11(b) of column (64). The sum of the entries made in columns (68) through (72) of Form 317, as provided in section 225 (m) of these instructions, shall be entered in column (73) of Form 317 and the total thereof entered on line 11(a) and 11(b) of column (73). The entries on lines 11(a) and 11(b) of columns (64) and (73) shall be compared with the entries on lines 11(a) and 11(b) of column (76). If the sum of the entries on line 11(b) in columns (64) and (73) is **less** than the entry in column (76), the owner or operator who deposited the funds to be held in escrow shall be requested to pay the deficiency.¹⁵ At the same time each producer shall be requested to pay the amount of the penalty incurred

¹⁴ See sec. 707 (e) of the regulations.

¹⁵ See secs. 225(i) and 225(m) of these instructions.

by him until the amount of the deficiency has been paid to the treasurer of the county committee by one or more of the producers liable therefor. If the deficiency exists as of March 1, 1940, at the time a preliminary farm operator's report is made,¹⁶ or if at that time the funds held in escrow are insufficient to cover the amount of cotton which may be marketed subject to penalty, the owner or operator shall be requested to deposit the additional amount, and upon his failure or refusal to do so, the white marketing cards shall be canceled and red marketing cards for the balance of the unused producer marketing quotas or farm marketing quota and blue marketing cards for the amount of unmarketed carry-over penalty cotton issued in lieu thereof. If the sum of the entries on line (b) in columns (64) and (73) is **more** than the entry in column (76), a refund of the excess shall be authorized as hereinafter provided.

(l) **Payment of the penalty in the case of bonds.**—The amount of the penalty shown in column (76) of Form 317 shall be paid and recorded on Form 317 in the manner outlined in sections 225(j) and 225(n) of these instructions. The amount of the penalty incurred at the time the preliminary farm operator's report is made¹⁶ shall be paid at that time and upon the failure or refusal to pay the penalty the white marketing cards shall be canceled and red marketing cards for the balance of the unused producer marketing quotas or farm marketing quota and blue marketing cards for the amount of unmarketed carry-over penalty cotton issued in lieu thereof.

(m) **Transfers from the 1938-39 cotton special deposit trust account of funds to be held in escrow in the 1939-40 special deposit account.**—Where funds are transferred from the 1938-39 cotton special deposit trust account to the 1939-40 special deposit account as provided in item 27 of section 224 of these instructions to be held in escrow to secure the payment of the penalty estimated to be incurred during the 1939-40 marketing year, the treasurer of the county committee shall draw a check payable to the **Treasurer of the United States** against the 1938-39 cotton special deposit trust account in the amount to be so transferred. Funds shall not be so transferred unless the producer for whom the surplus funds are held in the 1938-39 cotton special deposit trust account is the owner or operator of the farm in 1939 for which the funds are to be held in escrow. The check shall be scheduled for deposit and transmitted to the State office on a separate Form 359 in the manner outlined in section 234(c) of these instructions, with the exception that the legend "1938—Escrow" shall be entered in column 1 thereof and the 1939 farm serial number of the farm in connection with which the funds are to be held shall be entered in column 2 thereof and a statement in full in connection with all the facts in connection with the transfer shall be attached thereto. The transaction shall be recorded on form 356 in the manner outlined in paragraph (c) of this section, with the exception that the legend "1938—Escrow" shall be entered in column (2) thereof. The record of the transfer shall be made on Form 317 in the manner outlined in section 225(i) and 225(m) of these instructions. The issuance of the check shall be recorded in part IV of Form 256 as follows:

¹⁶ See pars. (i) and (j) of this section.

1. In column (14) enter the date of the check drawn by the treasurer of the county committee payable to the order of the Treasurer of the United States.

2. In column (15) enter the number of such check.

3. Make no entry in column (16).

4. In column (17) enter the remittance schedule number of the form 359.

5. In column (18) enter the words "Treasurer of the United States, 1938—Escrow."

6. In column (19) enter the amount of the check drawn payable to the Treasurer of the United States.

(n) **Failure or refusal to remit the penalty incurred.**—Where the penalties incurred are not paid in cases where a bond of indemnity on Form 323 or funds to be held in escrow were accepted for a farm, the producer should be notified that the issuance of a white marketing card pursuant to section 502(b) of the regulations was upon the condition that the producer should nevertheless be subject to the penalty provided in section 348 of the act and that pursuant to section 372(b) of the act and section 707(e) of the regulations, the amount of the penalty is due and payable. If the producer who executed the bond of indemnity as principal does not remit the penalty promptly, the sureties under the bond of indemnity should be notified by registered mail (return receipt requested) that the producer has not paid the penalty incurred after being duly requested to do so and the sureties should be requested to remit forthwith to the treasurer of the county committee the amount of the penalty incurred. The producer and the sureties, if necessary, in each case should be advised that pursuant to sections 712 and 806 of the regulations the county committee is under a duty to report any case where the producer is actually in default in order that proceedings under section 376 of the act may be instituted specifically to enforce the provisions of the act. While the county committee is attempting to enforce the provisions of the act and regulations in the manner indicated above, no check for any payment under any program or law which may be or become due any producer or surety shall be delivered to him until the provisions of the act and regulations are satisfied. If the penalties are not remitted to the treasurer of the county committee, a report **in quintuplicate** should be prepared and the original and three copies thereof transmitted to the State office. The report should show the name and full mail address of the producer and each surety and a full description, in addition to the farm serial number, of the farm on which the cotton was produced; the date on which the cotton was marketed and the place at which the transaction occurred, if the county committee has knowledge of these facts; and the amount of the penalty incurred and the amount thereof which was or was not paid. In addition, the same number of copies of all correspondence from the county committee to the producer and sureties and replies thereto and any statements made by the producer and sureties should accompany the report.

SEC. 239. ISSUING WHITE MARKETING CARDS WHERE THE COUNTY COMMITTEE ESTIMATES THAT THE AMOUNT OF COTTON TO BE PRODUCED IN 1939 PLUS THE CARRY-OVER PENALTY COTTON WILL NOT EXCEED THE NORMAL PRODUCTION OF THE FARM ACREAGE ALLOTMENT.¹⁷

¹⁷ See sec. 501(d) of the regulations.

White marketing cards for an overplanted farm or a farm in connection with which one or more producers thereon have carry-over penalty cotton **may** be issued to the producers on such farms if the county committee estimates that the total amount of the production of the acreage planted to cotton in 1939 on the farm **plus** the amount of carry-over penalty cotton ¹⁸ will **not** exceed the normal production of the farm acreage allotment. The estimate of the total production must be made after bolls are formed and a memorandum showing the time of the estimate, the method followed, and the total estimated production must be filed in the folder for the farm. A white marketing card should not be so issued unless (1) there is **no possibility** that the actual production of the planted acreage plus the carry-over penalty cotton will exceed the normal production of the farm acreage allotment, and (2) that the producers on the farm are of good character and reputation in the community and, in the opinion of the county committee, financially able to answer for the amount of any penalties which may be incurred. The issuance of a white marketing card under this provision does not alter the requirement that the producer marketing quotas be apportioned and reapportioned as provided in section 304 of the regulations. The record of cotton produced on the farm shall be recorded on Form 317 in the manner outlined in section 225(e) of these instructions. In all other respects, the records in connection with the marketing of cotton and the penalties paid or to be paid and the issuance of white marketing cards shall be made in accordance with the procedure set forth in section 238 of these instructions.

SEC. 240. FARMS PRODUCING 1,000 POUNDS OR LESS.

(a) **Penalties do not apply.**¹⁹—The penalty does not apply to cotton produced in 1939 on any farm on which the total production of lint cotton in 1939 does not exceed 1,000 pounds. The exemption from the penalty does not affect the amount of the farm marketing quota ²⁰ and a red marketing card and a blue marketing card, if necessary, shall be issued to the producers on the farm under the conditions outlined in sections 228(a) and 229(a) of these instructions as in the case of other farms to which the conditions are applicable and Form 317 shall be prepared in respect thereto as provided in sections 225 and 226 of these instructions. If red marketing cards and, if necessary, blue marketing cards are issued for the farm and a penalty is paid in connection with cotton produced in 1939 and marketed in excess of the farm marketing quota, the amounts so paid shall be refunded as hereinafter provided. **However, the exemption from the penalty is not applicable to carry-over penalty cotton.** The amount of the penalty incurred with respect to a farm on which the total production in 1939 does not exceed 1,000 pounds shall be recorded on Form 317 as follows:

1. Make no entry in column (78).
2. On line (a) of column (77) enter the amount of carry-over penalty cotton marketed subject to penalty, i. e., the amount thereof which, together with the 1939 production, was marketed in excess of the farm marketing quota.

¹⁸ See sec. 225(d) of these instructions.

¹⁹ See sec. 702 of the regulations.

²⁰ See sec. 301 of the regulations.

3. On line (b) of column (77) enter the product obtained by multiplying the entry on line (a) thereof by 2 cents.

4. Columns (79) through (83) shall be completed as outlined in section 225(r) of these instructions.

5. Columns (84) through (89) shall be completed as outlined in section 225(s) of these instructions.

(b) **Issuing white marketing cards for farms producing not more than 1,000 pounds.**²¹—White marketing cards for overplanted farms may be issued to the producers thereon if the county committee estimates that the total production of the acreage planted to cotton in 1939 on the farm will not exceed the normal production of the acreage allotment or if it is found by the county committee that the total production in 1939 on the farm has not exceeded 1,000 pounds. No white marketing card shall be issued under these circumstances for a farm in connection with which one or more producers have carry-over penalty cotton. The estimate of the total production must be made after bolls are formed and a memorandum showing the time of the estimate, the method followed, and the estimated total production must be filed in the folder for the farm. A white marketing card should not be issued if there is a possibility that the actual production of the acreage planted to cotton will exceed 1,000 pounds of lint cotton. If a white marketing card is to be issued under this provision and any Forms 312 and 313 or Forms 314 and 315, theretofore, issued have been canceled, the county committee shall then issue Form 311 to the producers on the farm in accordance with section 219 of these instructions, except that:

1. A separate listing on Form 310-A shall be prepared.

2. The words "One thousand pounds" shall be stamped across the face of Form 311.

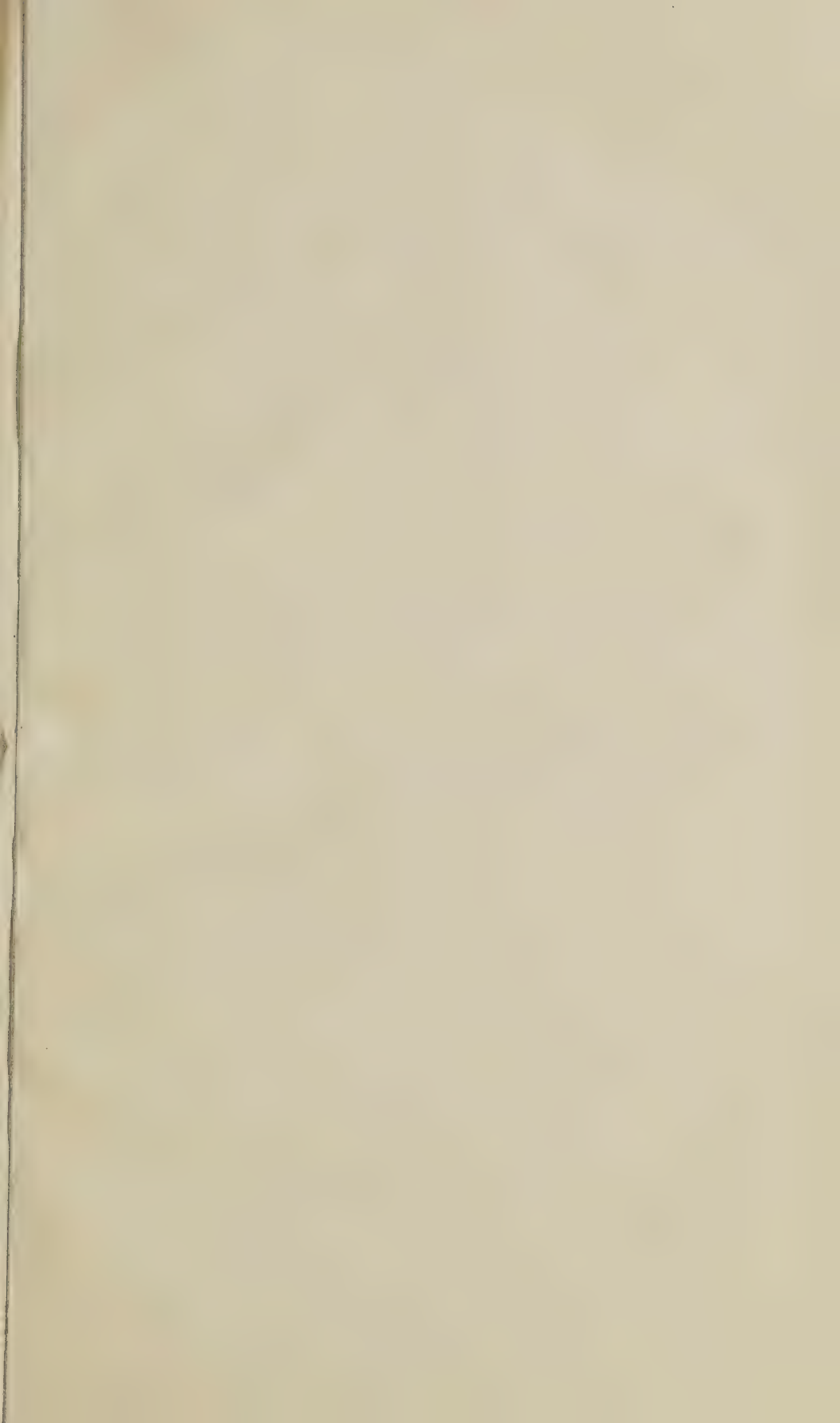
3. The words "One thousand pounds" shall be entered above the title of Form 310-A.

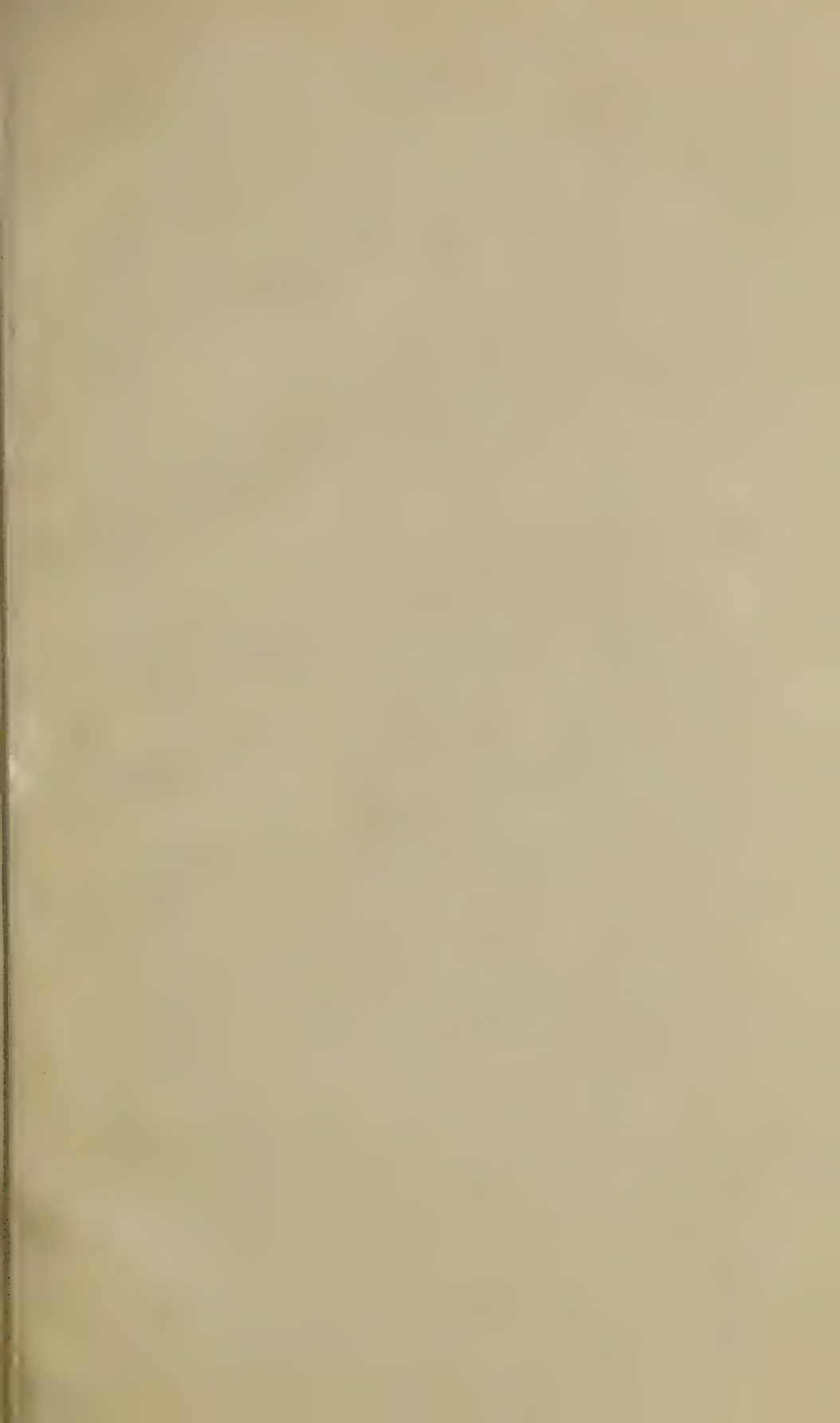
(c) **Record of cotton marketed and penalties paid where white marketing cards were issued pursuant to section 501(c) of the regulations.**—The record of cotton produced on the farm shall be recorded on Form 317 in the manner outlined in section 225(e) of these instructions and a record of the cotton marketed and the farm operator's report shall be made as outlined in section 238 of these instructions.

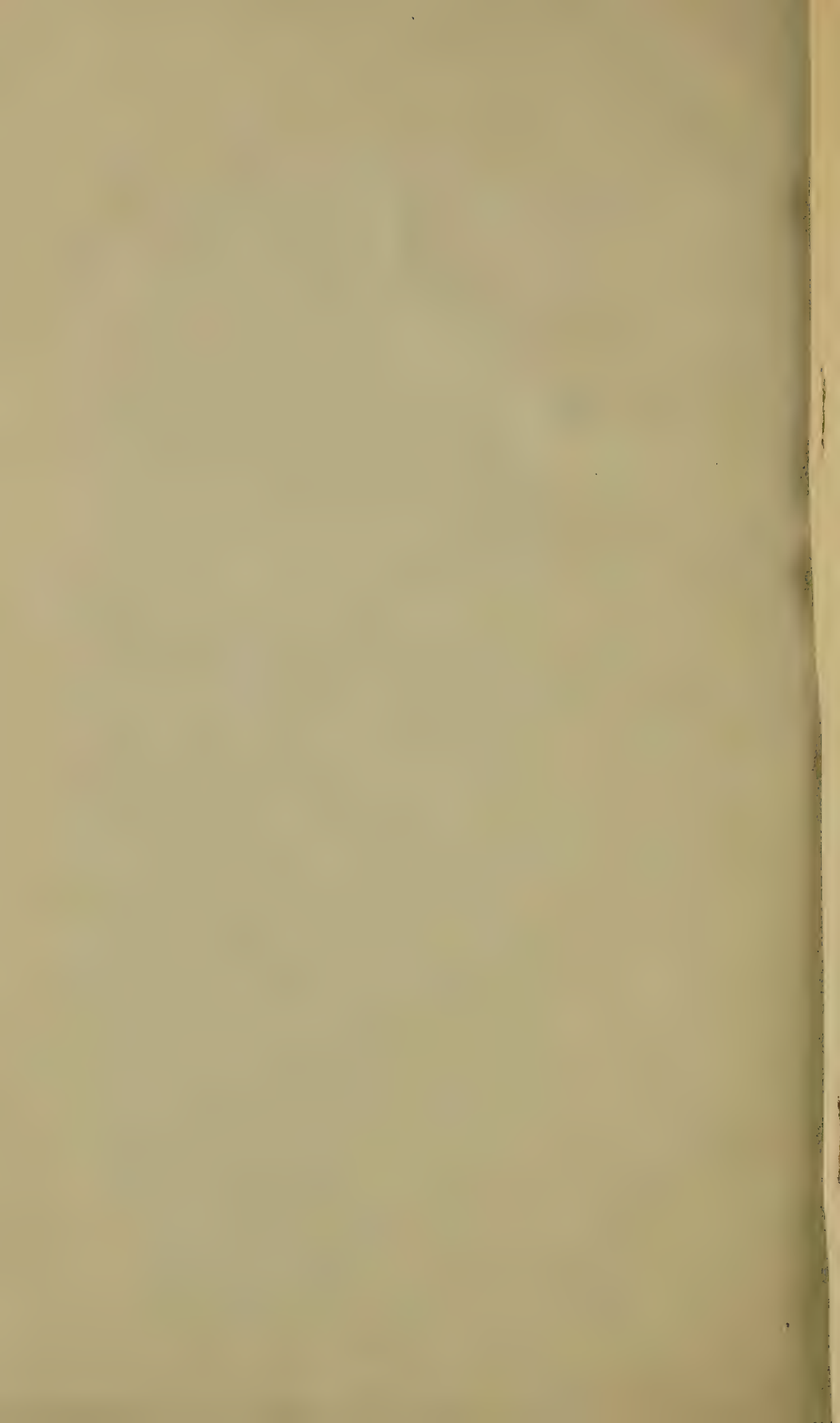
(d) **Failure to pay the penalty where a white marketing card was issued to a producer with respect to a farm on which it was estimated by the county committee that the total production would not exceed 1,000 pounds of lint cotton.**—If the reports of cotton produced on the farm as shown by Forms 316 and 326 indicate that the production on the farm exceeded 1,000 pounds, the white marketing cards previously issued to the producer shall be canceled and red marketing cards for the amount of the unused producer marketing quotas or the farm marketing quota shall be issued in lieu thereof, and the producer shall be requested to remit the penalty incurred with respect to the marketing of cotton in excess of the farm marketing quota. If the penalty is not remitted, a demand therefor should be made in writing and forwarded, together with a copy of the regula-

²¹ See sec. 501(c) of the regulations.

tions, by registered mail (return receipt requested) to the producer. The letter from the county committee should explain to the producer that the exemption provided in section 346(b) of the act is not applicable if the production of the acreage planted to cotton on the farm in 1939 is in excess of 1,000 pounds and that pursuant to section 501(c) of the regulations the white marketing card was issued upon the condition that the producer should nevertheless be subject to the penalty provided in section 348 of the act if the total production on the farm in 1939 exceeded 1,000 pounds of lint cotton. The letter should also state the amount of lint cotton reported to have been produced in 1939 on the farm, the reported actual average yield per acre of lint cotton on the farm in 1939, the normal yield per acre of lint cotton established for the farm in 1939, the amount of his farm marketing quota (the actual or normal yield per acre, whichever is the greater, times the cotton acreage allotment, plus any carry-over penalty-free cotton), and the amount of the penalty incurred determined at the rate of 3 cents per pound times the amount of cotton marketed in excess of the farm marketing quota. The producer should be advised that, pursuant to sections 712 and 606 of the regulations, the county committee is under a duty to report any case where the producer is actually in default in order that proceedings under section 376 of the act may be instituted specifically to enforce the provisions of the act. No check for any payment under any program or law which may be or become due to the producer shall be delivered to him until the provisions of the act and the regulations are satisfied. If the penalties are not remitted to the treasurer of the county committee, a report, **in quintuplicate**, should be prepared and the original and three copies thereof transmitted to the State office. The report should show the name and full mail address of the producer and a full and particular description (in addition to the farm serial number) of the farm on which the cotton was produced; the date on which the cotton was marketed and the place at which the transaction occurred, if the county committee has knowledge of these facts; the amount of penalty incurred and the amount thereof which was or was not paid. In addition, the same number of copies of all correspondence from the county committee to the producer and replies thereto and any statements made by the producer should accompany the report.







UNITED STATES DEPARTMENT OF AGRICULTURE

Agricultural Adjustment Administration

INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS FOR 1939

PART III. STATE OFFICE PROCEDURE FOR
DEPOSITING COLLECTIONS AND
REFUNDING MONEY IN EXCESS OF
THE PENALTYC O N T E N T S

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Sec. 301 General instructions. - Part III of these instructions outlines the nature of certain forms, records, reports, accounts, and files of the State committee relating to the deposit of funds received by treasurers of county committees in connection with the marketing of cotton and the certification of refunds of the amounts received and deposited in excess of the penalties incurred as provided in Part VII of Cotton 307, Regulations Pertaining to Cotton Marketing Quotas for the 1939-1940 Marketing Year (hereinafter referred to as "the regulations"). There shall be established a Remittance Unit, in keeping with the requirements of each State office, under the immediate supervision of an employee, herein referred to as the remittance clerk, who shall receive the checks, drafts, and money orders in connection with the penalties for the purpose of examining, administratively endorsing, and scheduling the same for collection and deposit or for transfer to the credit of the proper funds and accounts. In addition, the remittance clerk shall examine vouchers and prepare schedules for the return of amounts received in excess of the penalties incurred.

Sec. 302 Receipt of remittances. - (a) Time of remittance. The treasurer of the county committee will schedule on form 359 ^{1/} and transmit to the State office ^{2/} on the day received, or not later than the morning of the succeeding day, all funds remitted to him in connection with the marketing of cotton. ^{3/} If the funds remitted to the treasurer of the county committee are not so forwarded by him on the day received, or by the morning of the succeeding day (Sundays and legal holidays excluded), the secretary of the State committee shall direct his attention to the delay and such further action shall be taken as may be necessary to secure the prompt remittance of the funds.

(b) Form of remittance. The funds remitted to the treasurer of the county committee may be in the form of cash or in the form of checks, drafts, or money orders made payable to the order of the Treasurer of the United States ^{4/}, except that, in the case of funds tendered during the 1939-1940 marketing year to be held in escrow, the remittance must be in the form of a cashier's check or money order drawn payable to the order of the Treasurer of the United States. ^{5/} If the remittance to the treasurer of the county committee is in the form of a check, draft, or money order, it will be transmitted directly without endorsement from the treasurer of the county committee to the State office. If the remittance to the treasurer of the county committee is in the form of cash, the treasurer of the county committee must purchase a postal money order in the amount thereof which shall then be scheduled for transmittal instead of the

^{1/} Each form mentioned herein is a "Cotton" form unless otherwise designated.

^{2/} See section 234(c), Part II of these instructions.

^{3/} See the first sentence of section 709 of the regulations.

^{4/} See section 706 (b) of the regulations.

^{5/} See section 707(c) of the regulations. In such cases the words "in payment of the penalty" will be deleted from form 319. Also see section 238 (c), Part II of these instructions.

cash.^{6/} In addition, the remittance may be in the form of a check drawn on the 1938-1939 Cotton Special Deposit Trust Account.^{7/}

(c) Examination of remittances. Every remittance shall be examined to determine that it may be negotiated by the Disbursing Officer. A remittance which is negotiable must be properly dated, drawn payable to the order of the "Treasurer of the United States" or in a manner to permit endorsement to that official, signed, and must show an exact agreement between the amount as expressed in figures and the written amount. If it is not negotiable, it should be returned to the treasurer of the county committee accompanied by a letter in which the reasons that the remittance is not negotiable are set forth and requesting that an acceptable remittance be secured. Any checks, drafts, or money orders drawn payable to "Agricultural Adjustment Administration", "Department of Agriculture", or in a similar impersonal manner may (if otherwise negotiable) be accepted. Checks, drafts, or money orders drawn payable to some person other than the Treasurer of the United States must first be endorsed "Pay to the order of the Treasurer of the United States" over the signature (and title) of the payee named therein (or by the last endorsee) or by some person by him duly authorized through a power of attorney to endorse for him and on his behalf. In view of the difficulty and inconvenience incident to securing the endorsement which renders the instrument payable to the Treasurer of the United States, in cases where it is drawn payable to "Secretary of Agriculture" or to "Henry A. Wallace, Secretary of Agriculture" or to some other official not located in the State or county office, the remittance should be returned to the treasurer of the county committee with a request that he secure a check, draft, or money order drawn payable to the order of the Treasurer of the United States.

(d) Receipt numbers for remittances. A receipt number for each remittance which may be negotiated shall be assigned by the remittance clerk. The receipt numbers shall begin with number one for the first remittance received for the 1939-1940 marketing year in connection with the marketing of cotton and continue thereafter in numerical sequence without regard to the county from which received. The receipt number shall be noted on form 319 or 319-A.^{8/}

(e) Administrative endorsement of remittances. All remittances which are negotiable shall, within the day received, be administratively endorsed for the purpose of identification by means of a rubber stamp reading as follows:

Pay to the order of the Treasurer of the United States,
Cotton Marketing Quotas,

Southern^{9/} Division, A.A.A., U. S. Department of Agriculture

10/

(office)

^{6/} See the second and third sentences of section 709 of the regulations and section 234(c) 11, Part II of these instructions.

^{7/} See item 27 of section 224 and sections 234(g) and 238(m), Part II of these instructions.

^{8/} See item 8, paragraph (f) and item 10, paragraph (g) of this section.

^{9/} Or Western, or North Central, as the case may be.

^{10/} Insert the address of the State office, as for example, "Athens, Georgia", or "College Station, Texas".

(f) Examination of forms 319. Each remittance in connection with the marketing of cotton or to be held in escrow to secure payment of the penalty must be accompanied by the yellow copy of the receipt on form 319 issued by the treasurer of the county committee to the remitter 11/, except that in cases where the penalty was paid prior to the marketing of cotton the remittance will be accompanied by the salmon copy of form 319-A. 12/ The copies of all forms 319 received from a county shall be filed by the remittance clerk in a folder for each consecutive unit of 50 receipts in numerical sequence. If any form 319 in the numerical sequence is not received, the treasurer of the county committee shall be requested to explain the disposition thereof. 13/ If the missing form 319 was mutilated or improperly prepared, the mutilated or improperly prepared yellow copy should be submitted to verify the explanation of the treasurer of the county committee. If the missing form 319 was destroyed, satisfactory proof thereof shall be required. Forms 319 shall be examined and audited as follows: 14/

1. The State and county code number must appear in the space provided.

2. The name and address of the person from whom the treasurer of the county committee received the remittance must appear above the words "(Name of remitter)" and "(Full mail address)".

3. The amount entered in writing following the words "the sum of" must agree with the amount of the remittance. If it does not agree and the correct amount may be shown without affecting the entries in the schedule of the amounts received in connection with each farm, the correct amount shall be entered by the remittance clerk and the treasurer of the county committee notified of the change. If the correction would conflict with the schedule of the amounts received in connection with the various farms, the treasurer of the county committee shall be notified of the error and requested to submit a correctly prepared form 319.

4. Either the words "as security for payment of the penalty" or the words "in payment of the penalty" must have been deleted. 15/ If not, the treasurer of the county committee shall be requested to state which expression should be deleted.

11/ See paragraph (b) of this section and section 706(a) of the regulations and sections 234(a) and 234(b), Part II of these instructions.

12/ See section 705(c) of the regulations and section 234(e), Part II of these instructions.

13/ See section 203, Part II of these instructions.

14/ See section 234(b) of these instructions.

15/ See sections 234(b) 4 and 238(c), Part II of these instructions.

5. The schedule of the amounts received in connection with each farm shall be examined to determine whether in any case there has been omitted either (i) the farm serial number, (ii) the serial number of form 313 or 315, (iii) the name of the producer, (iv) the number of pounds marketed subject to the penalty, or (v) the amount of the penalty. If any of the entries has been omitted, the treasurer of the county committee shall be requested to furnish the missing information and the copy of form 319 shall then be corrected accordingly. The sum of the entries in the column headed "Amount" must agree with the amount of the remittance.^{16/}

6. In the columns headed "Date", "Drawer", and "Amount" the remittance must be properly described.^{17/} If the description is not correct and there is no doubt that the receipt relates to the remittance, the description shall be corrected by the remittance clerk and the treasurer of the county committee shall then be advised of the change.

7. The receipt must be properly executed by the treasurer of the county committee.

8. The receipt number assigned to the remittance ^{18/} shall be entered by the remittance clerk above the title of form 319.

(g) Examination of forms 319-A. In each case where the penalty was paid by the producer who would be liable therefor prior to the marketing of his cotton the remittance will be accompanied by the salmon copy of form 319-A issued by the treasurer of the county committee to the remitter.^{19/} The copies of all forms 319-A received from a county shall be filed by the remittance clerk in a folder for each consecutive unit of 50 receipts in numerical sequence. If any form 319-A in the numerical sequence is not received, the treasurer of the county committee shall be requested to explain the disposition thereof.^{20/} If the missing form 319-A was mutilated or improperly prepared, the mutilated or improperly prepared salmon copy should be submitted to verify the explanation of the treasurer of the county committee. If the missing form 319-A was destroyed, satisfactory proof thereof shall be required. Form 319-A shall be examined and audited as follows:

^{16/} See item 3 of this paragraph and item 12 of section 303(b) of these instructions.

^{17/} See items 11 and 12 of section 234(b), Part II of these instructions.

^{18/} See paragraph (d) of this section.

^{19/} See section 705(c) of the regulations and section 234(e), Part II of these instructions.

^{20/} See section 203, Part II of these instructions.

1. A single receipt shall not cover more than one bale although there may be several receipts for a single remittance.

2. The marketing card serial number and the State and county code number must be shown in the spaces provided.

3. The name and address of the person from whom the treasurer of the county committee received the remittance must appear above the words "(Name of producer)" and "(Full mail address)".

4. The amount entered in writing following the words "the sum of" must agree with the amount of the remittance, or the sum of such entries on all forms 319-A accompanying a remittance must agree with the amount thereof.

5. The net weight of the bale must appear following the words "one bale containing".

6. The gin bale number or mark must appear following the words "or mark".

7. The farm serial number must appear following the words "serial No.".

8. The entry after the dollar mark above the word "(Amount)" must agree with the amount of the remittance, or the sum of such entries on all forms 319-A accompanying a remittance must agree with the amount thereof.

9. The receipt must be properly executed by the treasurer of the county committee and the producer.

10. The receipt number assigned to the remittance 21/ shall be entered by the remittance clerk above the title of form 319-A.

(h) Examination of forms 359. The remittances and receipts on forms 319 and 319-A will be transmitted to the State office accompanied by the original and first carbon copy (the yellow copy) of form 359. 22/ Form 359 shall be examined, audited, distributed, and dealt with as follows:

1. The date on which it was received in the State office must be stamped on the original and copy thereof.

2. The transmittal number, beginning with number one for the first schedule from each county and continuing thereafter in numerical sequence for each subsequent schedule form in the county, must appear in the space provided. If the transmittal

21/ See paragraph (d) of this section.

22/ See sections 234(c), 234(e), and 238(c), Part II of these instructions.

number is not shown or is not in numerical sequence, it shall be inserted or corrected and the treasurer of the county committee notified of the change.

3. The State and county code number, the sheet number and total number of sheets, and the marketing year must be shown in the spaces provided.

4. Part I must be properly executed by the treasurer of the county committee.

5. Part III must be examined to determine that each form 319 or 319-A is correctly described therein and that the total amount thereof is correctly shown. If the description of forms 319 and 319-A is not correct or if the total of the schedule is incorrect, the necessary corrections in form 359 shall be made and the treasurer of the county committee notified of the change.

6. The transmittal number of form 359, preceded by the words "Transmittal No.", shall be entered above the title of each form 319 and 319-A accompanying it.

7. After the remittances have been scheduled for collection,^{23/} the schedule number of Standard Form No. 1044, Revised, ^{24/} and the period ^{25/} shall be entered in the spaces provided on the original and copy and the remittance clerk shall sign the original and copy and enter the date of his signature and his title.

8. The original form 359 shall then be returned to the treasurer of the county committee as a receipt for the remittances.

9. The copy of form 359 shall be filed in numerical order in a folder for the county.

(i) Transfer from the 1938-1939 Cotton Special Deposit Trust Account. Where funds are transferred from the 1938-1939 Cotton Special Deposit Trust Account to the 1939-1940 special deposit account ^{26/} under any of the conditions enumerated in item 27 of section 224, Part II of these instructions, the treasurer of the county committee will draw a check payable to the order of the Treasurer of the United States against the 1938-1939 Cotton Special Deposit Trust Account in the amount to be transferred.

^{23/} See section 303(b) of these instructions.

^{24/} See item 2 of section 303(b) of these instructions.

^{25/} See item 8 of section 303(b) of these instructions.

^{26/} See section 234(g) and 238(n), Part II of these instructions.

The check will not be accompanied by a receipt on either form 319 or 319-A and will be scheduled on a separate form 359 which shall be audited, distributed, and dealt with as outlined in paragraph (h) of this section with the following exceptions:

1. The legend "1938-Transfer" must be entered in column 1 thereof if the funds are not transferred to be held in escrow.
2. The legend "1938-Escrow" must be entered in column 1 thereof if the funds are transferred to be held in escrow.
3. The 1939 farm serial number in connection with which the funds are to be deposited must be entered in column 2 thereof.
4. The amount transferred must be entered in column 3.
5. A statement in full of all facts in connection with the transfer must be attached thereto.

Sec. 303 Deposit of funds.- (a) Special deposit account. All funds received in connection with cotton marketing quotas for the 1939-1940 marketing year will be deposited to the credit of a special deposit account with the Treasurer of the United States in the name of the Chief Disbursing Officer of the Treasury Department (herein referred to as "special deposit account") designated by the following symbol number and title: 27/ "66.2-200-Suspense, Collections, A.A.A. Marketing Quotas". The remittances will be scheduled for collection to the credit of the special deposit account and transmitted to the Regional Disbursing Officer of the Treasury Department who acts for the State office in connection with payments and collections under the agricultural conservation programs. All remittances shall be disposed of within one day after the receipt thereof.

(b) Preparation of schedules of collections. All remittances which may be accepted shall be scheduled for collection and deposit by preparing an original and six copies of Standard Form No. 1044, Revised, as follows:

1. Enter the State and county code number followed by the transmittal number of form 359 in the heading above the title. Do not include in one schedule of collections the remittances received from more than one county.

2. Enter the schedule number which shall be number one, preceded by the word "Cotton", for the first schedule and continue thereafter in numerical sequence for all items in connection with the 1939-1940 marketing year without regard to fiscal years or the county from which received. This number must be entered on each sheet of the schedule. 28/

27/ See section 709 of the regulations.

28/ Also see item 7 of section 302(h) of these instructions.

3. Enter the sheet number which shall be 1, if there is only one sheet; or 1 of 2 sheets, 2 of 2 sheets, etc., if the schedule consists of more than one sheet.
4. Enter the word "Agriculture" over the words "(Department or Establishment)".
5. Enter the letters "A.A.A." followed by the name of the State in which the State office is located and the words "State Office" over the words "(Bureau or Office)".
6. Enter "G. F. Allen, Chief Disbursing Officer" after the words "Received by".
7. Enter the name of the city and State in which the Regional Disbursing Office is located after the word "at".
8. Enter the month and year in which the schedule is expected to be taken up by the Disbursing Officer after the word "Period".^{28/}
9. Enter the symbol number furnished by the Disbursing Officer for this purpose after the words "D.O. Symbol No."
10. Enter the date the remittance was received in the State office in the column headed "Date Received".
11. Enter the receipt number^{29/} in the column headed "Receipt Number".
12. Enter in the column headed "Name of Remitter" the name and address of the bank or firm or person on which the check or draft was drawn or, in the case of a postal money order, the letters "USPMO" followed by the name of the issuing post office. Enter directly beneath the name and address of the bank or firm or person the date and serial number of the remittance. Enter directly beneath the date and serial number of the remittance the name and address of the remitter as shown on form 319^{30/} or 319-A^{31/}.

^{28/} Also see item 7 of section 302(h) of these instructions.
^{29/} See section 302(d) of these instructions.
^{30/} See item 2 of section 302(f) of these instructions.
^{31/} See item 3 of section 302(g) of these instructions.

13. In the column headed "Detail Description of Purpose For Which Collections Were Received" enter the words "Marketing quotas for cotton for the marketing year 1939-1940". Immediately thereafter enter the words "Form 319 No." or "Form 319-A No." followed by the printed serial number of form 319 or 319-A, as the case may be. Directly beneath the description of form 319 or 319-A enter the farm serial number and amount for each farm covered by the remittance^{32/} as for example, as follows:

<u>Farm</u> <u>Serial No.</u>	<u>Amount</u>
1	\$10.00
5	21.30
50	65.00

14. The amount of the remittance should be entered in the column headed "Amount". The sum of the amounts entered in the column headed "Detail Description Of Purpose For Which Collections Were Received" as provided in item 13 above must agree with the amount of the remittance.

15. In the column headed "Fund To Be Credited" enter the symbol and title of the special deposit account as follows: "Special Deposits, 03.37-66.2-200-Suspense, Collections, A.A.A., Marketing Quotas". It is not necessary to enter the symbol and title for each remittance listed in the schedule.

16. After the word "Total" in the fifth column of the last sheet of the schedule enter the total amount of the remittances covered thereby.

17. The date the schedule is forwarded to the Disbursing Officer and the signature and title of the certifying officer shall be entered in the lower right corner (the lower left corner is for the use of the Disbursing Officer) of the last sheet of the schedule.

18. When a schedule consists of more than one sheet, the sheets comprising each of the seven sets shall be firmly stapled together.

(c) Distribution of schedules of collections. Standard Form No. 1044, Revised, should be distributed as follows:

^{32/} See item 5 of section 302(f) and items 7 and 8 of section 302(g) of these instructions.

1. Forward the original and three copies to the Disbursing Office. One of these copies must be stamped "Forward to Records and Accounts Section, Agricultural Adjustment Administration, Washington, D. C."
2. Forward one copy to the Bookkeeping and Warrants Section, Treasury Department, Washington, D. C.
3. Forward one copy to the Accounting and Bookkeeping Division, General Accounting Office, Washington, D. C.
4. File one copy in the pending file.
5. The Disbursing Office will return one copy, together with a certificate of deposit, to the State office.
6. Transcribe the information shown in the lower left corner of the copy returned from the Disbursing Office upon the file copy after verifying the collection of the scheduled items.
7. Forward one copy of the schedule showing the information transcribed thereon in accordance with item 6 above to the Office of Budget and Finance, Department of Agriculture, Washington, D. C.
8. The copy returned from the Disbursing Officer, together with the certificate of deposit, shall be retained in the Remittance Unit and filed by schedule numbers.

Sec. 304 Uncollectible remittances.- (a) Schedule of uncollectible checks. An uncollectible check or draft, that is, one which is not honored upon presentment for payment or one which is not honored at par, will be returned by the Disbursing Office to the State office accompanied by two copies of Standard Form No. 1044, Revised, with the title thereof altered to read "Schedule of Uncollectible Checks". The remittance clerk and the certifying officer should immediately sign one copy to indicate the receipt of the checks described therein and return the copy to the Disbursing Officer. The copy thereof retained by the remittance clerk shall be attached to the schedule of collections to which it relates. The total of the schedule of collections should be lined out and the original total of the schedule minus the total amount of the uncollectible remittances should be entered in lieu thereof and the entry initialed and dated by the remittance clerk. Enter the words "See attached schedule" opposite the entry for the uncollectible remittance on the schedule of collections.

(b) Preparation of debit vouchers for uncollectible remittances. When an uncollectible check or draft is returned from the Disbursing Office, the remittance clerk shall prepare an original and two copies of Form ACP-24 as follows:

1. After the word "To" enter the name of the office to which the particular copy, or copies are to be forwarded. Copies are to be forwarded to the following offices:

a. Two copies to the Office of Budget and Finance, Department of Agriculture, Washington, D. C.

b. One copy to be retained in the Remittance Unit and filed numerically.

2. After the word "No." appearing in the upper right corner enter the debit voucher number, which shall begin with number one, preceded by the word "Cotton", for the first Form ACP-24 and continue thereafter in numerical sequence for all remittances in connection with marketing quotas for the 1939-1940 marketing year without regard to the county from which the remittance was received.

3. After the word "Date" appearing in the upper right corner, enter the current date.

4. After the word "From" enter the name of the State and after the words "State Office" enter the word "Southern", "Western", or "North Central", as the case may be.

5. Enter the description of the uncollectible item in the manner indicated. If more than two items listed on the same schedule of collections were returned as uncollectible, the words "See other side" should be inserted in the space provided for the description of the checks and the complete description of the checks entered on the reverse side of Form ACP-24. The reasons for the return of each check or draft will be taken from the Standard Form No. 1044, Revised, as altered to be a schedule of uncollectible checks.

6. Enter the "Schedule No." and date "Forwarded" from the Standard Form No. 1044, Revised, upon which the check was scheduled for collection.

7. After the word "Symbol", enter the symbol and title of the special deposit account.

8. After the word "Amount" enter the total amount of the checks or drafts returned as uncollectible.

9. After the words "Deleted from above schedule, which has been reduced in total from" enter the total amount of the remittances scheduled on Standard Form No. 1044, Revised, upon which the check or draft was scheduled for collection.

10. In the blank space between the word "to" and the words "by the Division of Disbursement, Treasury Department", enter the result obtained by subtracting from the total amount of the schedule of collections in which the uncollectible items were included the amount of the uncollectible items.

11. Beneath the printed matter on Form ACP-24 enter the statement "An acceptable remittance is to be secured."

12. The remittance clerk shall initial and the certifying officer shall sign each copy of Form ACP-24.

13. Form ACP-24 shall be forwarded to the offices as indicated in item 1 of this paragraph.

(c) Cancellation of receipts. The word "Uncollectible" shall be entered opposite the entry for the uncollectible item on form 359 and the total of the original form 359 shall be lined out and the original total thereof less the total amount of the uncollectible items shall be entered in lieu thereof and the entry initialed and dated by the treasurer of the county committee. The word "Uncollectible" shall be written across the face of the corresponding form 319 or 319-A.

(d) Securing an acceptable remittance. Each uncollectible check or draft shall be returned to the treasurer of the county committee from whom it was received, together with a letter explaining the reasons therefor and requesting the treasurer to secure an acceptable remittance in the amount thereof.^{33/} If a reply from the treasurer of the county committee is not received within a reasonable time, or if a reply indicates that the remitter will not furnish an acceptable remittance, the secretary of the State committee shall promptly endeavor to secure an acceptable remittance to replace the uncollectible one.

(e) Scheduling a remittance tendered to replace an uncollectible one. A remittance replacing one previously returned as being uncollectible shall be examined as provided in section 302 of these instructions and listed on a new schedule of collections as provided in section 303 with the exception that a notation shall be made in the body of the new Standard Form No. 1044, Revised, that the remittance represents the recovery of the amount of the uncollectible check or draft previously scheduled under Receipt No.____, Schedule No.____, Form ACP-24, No.____.^{34/}

^{33/} See section 234(f), Part II of these instructions.

^{34/} Also see section 234(f), Part II of these instructions.

Sec. 305 Record of receipts and disbursements.-(a) Initial preparation of form 356. A record on form 356 shall be established for each county from which funds are received in connection with marketing quotas for the 1939-1940 marketing year. The State and county code number, the sheet number and total number of sheets, the name of the treasurer of the county committee, the name of the county, and the name of the State shall be entered thereon in the spaces provided.

(b) Record of funds received to be held in escrow. Where funds are received to be held in escrow, the words "in payment of the penalty" will be deleted from form 319^{35/} or the words "1938-Escrow" will appear in the column 1 of form 359.^{36/} Funds received shall be recorded in Part I of form 356 as follows:

1. In column (1) enter the date on which the funds were received as indicated on form 359.

2. In column (2) enter the printed serial number of the form 319. If the funds are transferred from the 1938-1939 Cotton Special Deposit Trust Account, enter the words "1938-Escrow" in column (2).

3. In column (3) enter the serial number of the farm as shown on form 319 or in column 2 of form 359.

4. In ~~column~~ (4) enter the amount of the funds received as shown on form 319.

5. In column (5) enter the transmittal number of form 359 on which the funds were transmitted to the State office followed by the schedule number of Standard Form No. 1044, Revised, as for example: "2 - 44".

6. If the checks or drafts are not honored upon presentment for payment, a contra entry in red duplicating the information previously entered in Part I of form 356 shall be made in columns (1) through (5).^{37/}

7. If subsequently the amount of the dishonored checks or drafts is remitted, the procedure outlined above in this paragraph shall be followed.

(c) Record of other collections. Where funds are received which are not to be held in escrow, the words "as security

^{35/} See section 238(c), Part II of these instructions.

^{36/} See section 238(m), Part II of these instructions.

^{37/} Also see section 304 of these instructions.

for payment of the penalty" will be deleted from form 319,^{38/} or the remittance will be accompanied by form 319-A^{39/} or the words "1938-Transfer" will appear in column 1 of form 359.^{40/} Funds so received shall be recorded in Part II of form 356 as follows:

1. In column (10) enter the date on which the funds were received as indicated by the date on form 359.

2. Make no entry in column (11).

3. In column (12) enter the printed serial number of form 319 or 319-A. If the receipt on form 319 covers remittances for more than one farm, make but one entry in column (12) for all farms covered thereby. If the funds are transferred from the 1938-1939 Cotton Special Deposit Trust Account, enter the words "1938-Transfer" in column (12).

4. In column (13) enter the farm serial number of each farm as shown on form 319 or 319-A or in column 2 of form 359.

5. In column (14) enter on separate, consecutive lines the amount of the funds received for each farm.

6. In column (15) enter the transmittal number of form 359 on which the funds were transmitted to the State office followed by the schedule number of Standard Form No. 1044, Revised, as for example: "2 - 44".

7. If the checks or drafts received are not honored upon presentment for payment, a contra entry in red duplicating the information previously entered in Part II of form 356 shall be made in columns (10) through (15) of Part II of form 356.

8. If subsequently the amount of the dishonored checks or drafts is remitted, the procedure outlined above in this paragraph shall be followed.

^{38/} See section 234(b), Part II of these instructions.

^{39/} See section 234(e), Part II of these instructions.

^{40/} See section 234(g), Part II of these instructions.

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

WASHINGTON, D. C.

INSTRUCTIONS PERTAINING TO COTTON
MARKETING QUOTAS FOR 1939PART V. SUMMARY OF GINNERS' AND BUYERS'
RECORDS AND REPORTS

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Preface

It is the purpose of this summary to present an outline of the main provisions of the Regulations Pertaining to Cotton Marketing Quotas for the 1939-1940 Marketing Year (designated Cotton 307) as they relate to ginner and buyers and to illustrate the manner of executing the forms prescribed therein. It is not possible within the limits of this summary to deal with every situation coming within the purview of the regulations or to discuss the execution of all forms provided for therein and ginner and buyers should use this summary as a guide rather than as a substitute for the regulations. The regulations are issued by virtue of the authority vested in the Secretary of Agriculture by title III of the Agricultural Adjustment Act of 1938 (Public Law No. 430, 75th Cong., approved February 16, 1938, 52 Stat. 31). Copies of the regulations will be furnished free to persons needing them upon request made to the office of the county agricultural conservation committee.

A. RECORDS TO BE KEPT AND REPORTS TO BE SUBMITTED BY GINNERS

SEC. 501. Applicability of the regulations.—The records and reports of ginner are required in connection with all cotton produced in the calendar year 1939, whether it is ginned prior to or subsequent to August 1, 1939. A ginner is a person who gins cotton or is engaged in the business of ginning cotton, whether for himself or for others. The term "ginner" does not have a technical meaning as used in the regulations and includes all persons who gin cotton as the term is ordinarily understood. A person who is a ginner may also be a cotton buyer or a cotton producer, or both. However, the records and reports required of him in his capacity as a ginner are separate from those required of him in his capacity as either a buyer or a producer and cannot be substituted for each other.

SEC. 502. Form of the ginner's report.—The form prescribed under the regulations for making the ginner's report is Form Cotton 316. However, in cases where seed cotton is purchased from the producer, Form Cotton 326, executed by the ginner if he purchases the seed cotton from the producer or by the other person who purchased the seed cotton from the producer, is required to be made a part of the report from the ginner who gins the cotton. The execution and use of Form Cotton 326 will be discussed in this summary under the part dealing with the reports of buyers. (See sec. 533.) Forms Cotton 316, as well as Forms Cotton 326, will be furnished free to each ginner by the county agricultural conservation committee of the county in which the gin is situated.

SEC. 503. Time and place of submitting reports.—The report on Form Cotton 316 is required for all cotton ginned from the 1939 crop and must be made for each period beginning with the first day of each month through the fifteenth, and from the sixteenth day of each month through the last day of each month. All cotton ginned during the period is to be included in the report. Each report is to be submitted to the treasurer of the county committee for the county in which the gin is situated. The report is required to be **submitted not**

later than 5 days next succeeding the last day of the period covered by the report.

SEC. 504. Penalty for ginner failing to make a report or making a false report.—The act makes the failure to submit a ginner's report, or the submission of a false report, a misdemeanor punishable upon conviction by a fine of not more than \$500 for each offense. However, this is expressly declared to be in addition to, and not exclusive of, any of the remedies or penalties under existing law.

SEC. 505. General provisions relating to the execution of Form Cotton 316.—While the responsibility for correctly preparing and submitting the reports rests upon the ginner, the ginner should nevertheless feel free to call upon the office of the county committee for information relating to the execution of any part of the report or concerning the manner in which any particular facts are to be reported. The county office will in turn bring to the ginner's attention any details coming to its notice concerning which the report is incomplete or in error. The **State and county code number** must be entered on each sheet of the report on Form Cotton 316. The State and county code number for the county in which the gin is situated may be obtained from the county committee. The **sheet**

Cotton 316
U. S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
MAY 1939

1939-1940 MARKETING YEAR
GINNER'S RECORD AND REPORT

74-001
(STATE AND COUNTY CODE NUMBER)

Report period from August 16, 1939, through August 31, 1939 Sheet No. 1 of 6 sheets

PART I I (we) hereby certify that all of the sheets in this report constitute a full, complete, and accurate report of all cotton ginned by the gin identified herein during the period indicated above.

Richard Roe
SIGNATURE OF MANAGER OF GIN

Palatka, Texas Sept. 2, 1939
(PLACE OF SIGNATURE) (DATE)

PART II Name of gin XYZ Gin Corporation
Full mail address of gin Palatka, Texas

Anderson County

PART III For use in the county office.
Serial No. of gin _____
Report No. of gin _____

PART IV

Farm Serial No.	Date of ginning	Name of farm operator	Name of producer if other than operator	County and State in which farm is located	Gin bale No. or mark	Gross weight of gin bale or mark	Gross weight of lint in gin bale or mark	For use in County office
A	B	C	D	E	F	G	H	I
1								

FIGURE 1. • Execution of Parts I through II of form Cotton 316

number and total number of sheets in each report must be entered on each sheet of the report. The **period covered by the report** must be entered on each sheet of the report. Part II of Form Cotton 316 on each sheet of the report must be completed by showing the **full name of the gin** as it is regularly and usually referred to in business matters; the **full mail address of the gin**; and the **name of the county** in which the gin is situated. The manager of the gin, or the person other than the manager who is in charge of the gin, must certify on the first sheet of the report that it is a true and complete report of all cotton ginned during the period by executing part I of Form Cotton 316. (See fig. 1.) If any report from the ginner is incomplete or in error, the report shall be corrected by a supplemental report covering the erroneous or omitted items.

SEC. 506. The farm serial number.—In each case the ginner must obtain from the producer the serial number assigned by the Agricultural Adjustment Administration for the purpose of identifying the farm on which the cotton was produced. If the cotton was produced on more than one farm, the serial number of each farm must be obtained. The farm serial number may be taken from the producer's marketing card. (See figs. 5, 6, and 7.) However, if the marketing card is used as the source of information and the producer has more

than one farm, care should be exercised to determine on which of the farms the cotton was produced and whether the marketing card was issued for that farm. The farm serial number must be entered in column A of Form Cotton 316 in each case where cotton is ginned by the producer and was not sold in the seed. If cotton was sold in the seed, the farm serial number will be shown on Form Cotton 326 and need not be shown on Form Cotton 316. If the producer does not know the farm serial number, or if it cannot be obtained, the ginner should obtain the location or description of the farm and enter this information on Form Cotton 316 instead of the farm serial number. However, the failure of the ginner to obtain the farm serial number will not be excused unless the farm is identified in some other manner or the failure to obtain it is justified by an explanation accompanying the report of facts showing that he was unable to obtain it after a reasonable effort.

SEC. 507. Date of ginning.—The date on which each bale, or lot of cotton if less than a bale, was ginned must be shown in column B of Form Cotton 316.

SEC. 508. Name of farm operator.—In each case the ginner must obtain the name of the operator, as shown by the records of the Agricultural Adjustment Administration, of the farm on which the cotton was produced. If the cotton was produced on more than one farm, the name of the operator of each farm must be obtained. Usually the name of the farm operator may be taken from the producer's marketing card. (See figs. 5, 6, and 7.) Where the information is taken from the marketing card the ginner should first determine that the marketing card relates to the farm on which the cotton was produced and then enter in column C of Form Cotton 316 the name of the farm operator exactly as it appears on the marketing card. If cotton is not ginned in the name of the producer but is sold in the seed, the name of the farm operator will appear on Form Cotton 326 and need not be shown on Form Cotton 316.

SEC. 509. Name of producer, if other than the operator.—In each case the ginner must obtain from the person who brings the cotton to the gin the name of the producer or producers other than the operator or landlord who are entitled to a share in the cotton and enter their names in column D of Form Cotton 316. If there is only one producer on the farm or if the cotton was grown by the operator and no producer other than the landlord is entitled to a share in the cotton, the word "same" should be entered in column D of Form Cotton 316. If the cotton was sold in the seed and not ginned in the name of the producer, the names of the producers other than the operator will appear on Form Cotton 326 and need not be shown on Form Cotton 316.

SEC. 510. County and State in which farm is located.—The ginner must enter in column E of Form Cotton 316 the name of the county and of the State in which the farm on which the cotton was produced is located. If cotton is sold in the seed and not ginned in the name of the producer, the name of the county and State will appear on Form Cotton 326 and need not be shown on Form Cotton 316.

SEC. 511. Gin bale number or mark.—The bale number or mark of each bale of cotton must be shown in column F of Form Cotton 316. Bale numbers should be **listed in numerical order.**

SEC. 512. Serial number of gin ticket or receipt issued to the producer.—The serial number of the gin ticket or receipt issued to the producer or prepared for the bale or lot of cotton must be entered in column G of Form Cotton 316. If the serial number of the gin ticket or receipt is the same as the bale number, the word "same" may be entered in column G.

SEC. 513. Weight of the cotton.—In each case the gross weight of the bale, including bagging and ties, must be entered in column H of Form Cotton 316. If the cotton ginned is not baled, the net weight of the lint cotton must be shown. If the cotton was produced on **more than one farm** or if **more than one producer** other than the landlord and operator have an interest in the cotton, the amount of cotton for each farm and the amount of cotton for each producer must be shown on separate, consecutive lines in column H.

SEC. 514. Round bales.—In the case of round bales, the ginner shall enter in column I of Form Cotton 316 the figure "3" for each round bale.

SEC. 515. Bagging made of cotton.—In cases where the bagging is made of cotton, the ginner shall enter in column I of Form Cotton 316 the figure "14" for each bale wrapped with bagging manufactured from cotton.

SEC. 516. Number of copies of Form Cotton 316.—Forms Cotton 316 are printed with inserted carbons and will be executed in **duplicate**. The original is to be transmitted to the treasurer of the county committee. The copy is to be retained by the ginner.

SEC. 517. Postage expense for mailing the ginner's report.—If the ginner desires to be reimbursed for the expense he incurs in mailing his reports to the treasurer of the county committee, the ginner should arrange with the treasurer of the county committee at the beginning of the ginning season the time and manner in which the ginner is to be reimbursed for the postage expense.

SEC. 518. Execution of Form Cotton 316 where cotton was produced on a single farm.—Where cotton was produced on a single farm and **only one** producer other than the operator and landlord have a share in the cotton, the information required for each bale of cotton, as indicated above, shall be entered on a separate line of Form Cotton 316. Where cotton was produced on a single farm but **more than one producer** other than the operator or landlord have a share in the cotton, the share of each producer other than the landlord or operator shall be entered on separate, consecutive lines of Form Cotton 316. The execution of Form Cotton 316 in this respect is illustrated in figure 2.

SEC. 519. Execution of Form Cotton 316 where cotton was produced by one or more producers on two or more farms.—Where cotton was produced on **two or more farms by a single producer**, the information required for each farm and the amount of cotton in the bale attributable to each farm shall be shown on Form Cotton 316 on separate, consecutive lines. Where cotton was produced on **two or more farms by two or more producers**, the information required to be shown for each farm and for each producer, as indicated above, shall be entered on separate, consecutive lines of Form Cotton 316. An illustration of this will be found in figure 3.

SEC. 520. Execution of Form Cotton 316 where cotton was sold in the seed and ginned in the name of the purchaser.—Cotton sold in the seed by the producer and ginned by the purchaser, including cotton purchased in the seed by the ginner, will **not** be shown on a sheet of Form Cotton 316 on which cotton ginned in the name of the producer is listed. Instead, the cotton sold in the seed by the producer will, when ginned, be reported on separate sheets of Form

Cotton 316
U. S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
MAY 1939

1939-1940 MARKETING YEAR
GINNER'S RECORD AND REPORT

74-001
(STATE AND COUNTY CONC. NUMBER)

Report period from August 16, 1939, through August 31, 1939 Sheet No. 1 of 6 sheets

I (we) hereby certify that all of the sheets in this report constitute a full, complete, and accurate report of all cotton ginned by the gin identified herein during the period indicated above.

PART I

Name of gin XYZ Gin Corporation For use in the county office.

Full mail address of gin: Palentine, Texas

Serial No. of gin _____

Richard Roe (SIGNATURE OF MANAGER OF GIN)

Palentine, Texas Sept. 2, 1939 (PLACE OF SIGNATURE) (DATE)

PART II

Name of producer if other than operator _____

County Anderson Report No. of gin _____

PART III

Farm Serial No.	Date of ginning	Name of farm operator	Name of producer if other than operator	County and State in which farm is located	Gin bale No. or mark	Serial No. of gin tickets or receipt issued producer	Gross weight of bale in pounds (to nearest 100)	For use in County office
A	B	C	D	E	F	G	H	I
1 62	1/16	John Doe	Bill Black	Anderson, Texas	325	Same	526	
2		"	"	"				
3 93	1/16	Robert Smith	William White	Anderson, Texas	326	Same	261	
4 93		"	Bill Black	"	326	"	261	
5		"	"	"				
6 781	1/17	John Doe	Same	Anderson, Texas	327	Same	513	

FIGURE 2. = Execution of form Cotton 316 where the cotton was produced on a single farm.

Cotton 316
U. S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
MAY 1939

1939-1940 MARKETING YEAR
GINNER'S RECORD AND REPORT

74-001
(STATE AND COUNTY CONC. NUMBER)

Report period from August 16, 1939, through August 31, 1939 Sheet No. 1 of 6 sheets

I (we) hereby certify that all of the sheets in this report constitute a full, complete, and accurate report of all cotton ginned by the gin identified herein during the period indicated above.

PART I

Name of gin XYZ Gin Corporation For use in the county office.

Full mail address of gin: Palentine, Texas

Serial No. of gin _____

Richard Roe (SIGNATURE OF MANAGER OF GIN)

Palentine, Texas Sept. 2, 1939 (PLACE OF SIGNATURE) (DATE)

PART II

Name of producer if other than operator _____

County _____ Report No. of gin _____

PART III

Farm Serial No.	Date of ginning	Name of farm operator	Name of producer if other than operator	County and State in which farm is located	Gin bale No. or mark	Serial No. of gin tickets or receipt issued producer	Gross weight of bale in pounds (to nearest 100)	For use in County office
A	B	C	D	E	F	G	H	I
1 62	1/16	John Doe	Same	Anderson, Texas	320	Same	900	
2 64		"	"	"	320	"	216	
3		"	"	"				
4 601	1/16	John Doe	Same	Anderson, Texas	321	Same	250	
5 76	1/16	"	William White	"	321	"	316	
6		"	"	"				
7 82	1/17	John Doe	William White	Anderson, Texas	322	Same	200	
8 93	1/17	Robert Smith	Harry Doakes	"	322	"	125	
9 95	1/17	"	Same	"	322	"	150	

FIGURE 3.—Execution of form Cotton 316 where cotton was produced on two or more farms.

Cotton 316. When the cotton was purchased in the seed by a buyer other than the ginner, the buyer must, at the time the cotton is delivered to the ginner for ginning, deliver to the ginner the original and first copy of Form Cotton 326 executed by the buyer. (See fig. 20.) When the ginner buys seed cotton from the producer, the ginner must execute Form Cotton 326. When the ginner takes a certain amount of the cotton ginned by the producer in payment for the ginning services (commonly called "toll cotton"), the ginner is the buyer of such cotton and must execute Form Cotton 326 for each amount received by him. The execution of Form Cotton 316

in cases where seed cotton was purchased from the producer is illustrated in figure 4. It is to be particularly noted that no entries appear on Form Cotton 316 in such cases in columns A, D, E, I, and J, and, further, that neither the name of the producer of the cotton nor the farm on which it was produced is to be shown on Form Cotton 316 in such cases. The name of the producer and the identity of the farm on which the cotton was produced will be shown on Form Cotton 326.

Cotton 316
U. S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
MAY 1939

1939-1940 MARKETING YEAR
GINNER'S RECORD AND REPORT

74-001
(STATE AND COUNTY CODE NUMBERS)

Report period from August 16, 1939, through August 31, 1939

Sheet No. 6 of 6 sheets

PART I
I (we) hereby certify that all of the entries in this report constitute a full, complete, and accurate report of all cotton ginned by the gin described herein during the period indicated above.

Richard Roe
(SIGNATURE OF MANAGER OF GIN)

Palestine, Texas Sept 2, 1939
(PLACE OF GINNING) (DATE)

PART II
Name of gin *XYZ Gin Corporation*
Full mail address of gin *Palestine, Texas*

PART III
For use in the county office.
Serial No. of gin
Report No. of gin

PART IV

Farm Serial No.	Date of ginning	Name of farm operator	Name of producer if other than operator	County and State in which farm is located	Gin bale No. or mark	Serial No. of bale or receipt record	Gross weight of bale in pounds (net)	For use in County office
A	B	C	D	E	F	G	H	I J
1			<i>Seed Cotton Purchased</i>					<i>the cotton ginned is follows</i>
2	<i>9/10</i>	<i>Smith and Roe</i>				<i>340</i>	<i>Same</i>	<i>540</i>
3								
4								
5								
6	<i>9/21</i>	<i>XYZ Gin Corporation</i>				<i>350</i>	<i>Same</i>	<i>530</i>

FIGURE 4. - Report on form Cotton 316 of cotton sold in the seed by the producer and ginned in the name of the purchaser.

B. RECORDS TO BE KEPT AND REPORTS TO BE SUBMITTED BY BUYERS

SEC. 521. Applicability of the regulations.—The records and reports of buyers are required in connection with all cotton marketed which was produced in the calendar year 1939, whether it is purchased prior to or subsequent to August 1, 1939, and to all cotton from a previous crop marketed during the marketing year beginning August 1, 1939. A buyer is a person who purchases cotton from a producer. The term "buyer" is nontechnical in its application in the regulations and is used to describe any person, with the exception of a transferee, who acquires title to cotton from a producer. A transferee is a person who receives cotton from a producer by barter or exchange, that is to say, where there is a transfer of title to cotton from a producer to another in return for cotton or other commodities, services, or property in cases where the value of the cotton or such other commodities, services, or property is **not** considered in terms of money, or the transfer of title to cotton by a producer to another in payment of a fixed rental or other charge for land. The meaning of the term as used is seen without an extensive citation of examples by the following illustrations: A person who pays cash for cotton is a buyer and a merchant who trades merchandise of the value of \$40 for a bale of cotton is a buyer. The regulations are applicable only to the first buyer who acquires title to cotton from the producer. The regulations do not apply to transactions in which a person acquires title to cotton from the first or any subsequent buyer or transferee. The records and reports required of a buyer are separate from and cannot be substituted for those required of him in his capacity as a ginner or as a producer.

SEC. 522. Duties and responsibilities of a buyer.—The act imposes primarily upon the buyer the duty and responsibility of collecting the penalty incurred by a producer in marketing cotton in excess of the farm marketing quota and of requiring the producer to identify by the marketing cards or certificates the cotton marketed by him in a manner to permit the buyer to determine whether a penalty is or is not incurred by the producer with respect to the transaction.

SEC. 523. Amount of penalty.—The penalty is **3 cents** per pound on the cotton marketed in excess of the farm or producer marketing quota, as the case may be, unless the excess marketed is carry-over penalty cotton, in which event the penalty is **2 cents** per pound. Carry-over penalty cotton is the amount of cotton from any previous crop which a producer has on hand which, if marketed during the 1938–39 marketing year, would have been subject to penalty.

SEC. 524. Identifying cotton subject to and not subject to penalty.—It must be determined by an examination of the producer's marketing card whether cotton is marketed subject to or not subject to the penalty. When a **white marketing card** (see fig. 5) is used to identify cotton with respect to which it was issued, no penalty is required to be collected by the buyer since the cotton is either marketed not subject to penalty or is cotton with respect to which the penalty, if any, will be paid later by the producer. Where cotton is identified by a **red marketing card** (see fig. 6) the cotton is not subject to penalty if the amount marketed in the particular transaction **plus** the amount previously marketed in connection with it is less than or equal to the number of pounds shown on it. If the cotton identified by the red marketing card in the particular transaction **plus** the amount previously marketed in connection with it is in excess of the number of pounds shown on it, that part of the cotton in excess of the number of pounds shown on the red marketing card is marketed subject to the penalty of 3 cents per pound. Where a **blue marketing card** (see fig. 7) is used to identify cotton, the cotton so identified is marketed subject to the penalty of 2 cents per pound with the exception that any part of cotton identified by the blue marketing card which is in excess of the carry-over penalty cotton shown thereon is marketed subject to the penalty of 3 cents per pound. Where cotton **is not** identified by a marketing card or certificate, the cotton marketed is deemed to be marketed subject to the penalty of 3 cents per pound.

SEC. 525. Collection of the penalty.—The penalty is due at the time cotton is marketed and is to be collected at that time by the buyer. The penalty may be collected by the buyer by receiving the amount from the producer or by deducting from the purchase price of the cotton the amount of the penalty. Cotton is marketed by sale when either title to or actual or constructive possession of the cotton is delivered by or on behalf of the producer or any part of the purchase price is paid.

SEC. 526. Time of remitting penalties.—The penalty incurred by the producer must be remitted by the buyer to the treasurer of the county committee for the county in which the cotton was produced **not later than 30 calendar days** next succeeding the day on which the cotton was marketed. However, the penalty may be remitted sooner. The address of the treasurer of the county committee will

Cotton 311
U. S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
April 1939

No. 351

65-001-59
(State and county code and farm serial number)

One mile east of Natchez, Mississippi, on Little Creek

1939-40 MARKETING YEAR—WHITE COTTON MARKETING CARD

I—This is to certify that the cotton produced in 1939 on the farm designated by the above farm serial number and the cotton from any previous crop which the producer on such farm have on hand may be marketed by the operator or producer whose countersignature appears below in payment of the penalty provided in Section 348 of the Agricultural Adjustment Act of 1938.

COUNTY AGRICULTURAL COMMISSION

By: John Brown (Signature of county commissioner) August 10, 1939
(Date)

JOHN DOE, R. 2, NATCHEZ, MISSISSIPPI
(Print name and full mail address of farm operator)

RICHARD ROE, R. 2, NATCHEZ, MISSISSIPPI
(Print name and full mail address of producer to whom issued)

Richard Roe (Signature of producer to whom issued) August 11, 1939
(Date)

6-13045

FIGURE 5. = White Marketing Card. (Overprinted with 1½ inch Department seal in green ink)

Cotton 312
U. S. DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
April 26, 1939.

1939-1940 MARKETING YEAR
RED COTTON MARKETING CARD

No. 21059

64-021-162
(State and County Code and Farm Serial Number)

This is to certify that Two Thousand (2,000) pounds of lint cotton, consisting of cotton produced in 1939 on the farm designated by the above farm serial number and cotton from any previous crop which the operator or producer(s), as the case may be, on such farm have on hand, may be marketed by the operator or producer whose countersignature appears below with-out payment of the penalty provided in Section 348 of the Agricultural Adjustment Act of 1938.

County Agricultural Conservation Committee

By: George White (Signature of County Commissioner) August 1, 1939
(Date)

RICHARD ROE, LUVERNE ALABAMA
(Print name and full address of farm operator)

JOHN DOE, LUVERNE ALABAMA
(Print name and address of producer to whom issued)

John Doe (Signature of producer to whom issued) August 5, 1939
(Date)

II

This part is to be used only in case the operator or producer to whom this marketing card is issued desires to authorize another person to act as his agent in the use of this marketing card in marketing for him cotton from the farm identified by the aforesaid serial number.

Name and full mail address of agent
(Date) 19____ Signature of agent

This is to certify that the person whose name, address, and signature appear above is entitled to use this marketing card for the purpose specified above
(Date) 19____ Signature of producer

FIGURE 6 = Red Marketing Card

Cotton 314
U. S. DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
April 26, 1939.

1939-1940 MARKETING YEAR
BLUE COTTON MARKETING CARD

No. 11461

57-069-1001
(State and County Code and Farm Serial Number)

One mile west of Clarksville, Tennessee

This is to certify that One Thousand (1,000) pounds of carry-over penalty cotton may be marketed in connection with the farm designated by the above farm serial number by the producer whose countersignature appears below subject to the penalty of two cents (2¢) per pound provided in Section 348 of the Agricultural Adjustment Act of 1938.

County Agricultural Conservation Committee

By: John Doe (Signature of County Commissioner) August 3, 1939
(Date)

WILLIAM SMITH, R. 1, CLARKESVILLE, GEORGIA
(Print name and address of operator)

HENRY WHITE, R. 1, CLARKESVILLE, GEORGIA
(Print name and address of producer to whom issued)

Henry White (Signature of producer to whom issued) August 3, 1939
(Date)

II

This part is to be used only in case the operator or producer to whom this marketing card is issued desires to authorize another person to act as his agent in the use of this marketing card in marketing for him cotton from the farm identified by the aforesaid serial number.

Name and full mail address of agent
(Date) 19____ Signature of agent

This is to certify that the person whose name, address and signature appear above is entitled to use this marketing card for the purpose specified above
(Date) 19____ Signature of producer

FIGURE 7. = Blue Marketing Card

be shown on the postal card copy of Form Cotton 313 (see sec. 530 of this summary) or on the reverse side of the third copy of Form Cotton 315 (see sec. 531 of this summary).

SEC. 527. **Form of remittance.**—The penalty shall be remitted **only** in legal tender or by check, draft, or money order. The check, draft, or money order must be drawn payable to the **Treasurer of the**

[illegible]

FIGURE 8. = Form Cotton 319

United States. The remittance, however, is to be delivered to the treasurer of the county committee. A remittance in cash or by check, draft, or money order may cover the penalty incurred in a single transaction or it may cover the penalties incurred in several transactions in which the buyer has purchased cotton. The treasurer of the county committee will issue a receipt on Form Cotton 319 (see fig. 8) to the buyer for the penalties remitted.

SEC. 528. Penalty for buyer failing to make a report or making a false report.—The act makes the failure to submit any buyer's report hereinafter described, or the submission of a false report, a misdemeanor punishable upon conviction by a fine of not more than \$500 for each offense. However, this is expressly declared to be in addition to, and not exclusive of, any remedies or penalties under existing law.

SEC. 529. Procedure to be followed by buyers where cotton is identified by a white marketing card.—Where cotton is marketed directly to and in the presence of the buyer, the buyer is not required to make any report to the treasurer of the county committee in connection with cotton identified by a white marketing card except in cases where the buyer is requested to make a report on Form Cotton 320 (see sec. 534 of this summary) or where the cotton is purchased in the seed, in which event a report on Form Cotton 326 is required (see sec. 533 of this summary). The buyer must satisfy

II

This part is to be used only in case the operator or producer to whom this marketing card is issued desires to authorize another person to act as his agent in the use of this marketing card in marketing for him cotton from the farm identified by the aforesaid serial number.

William Smith of Leesdale, Mississippi
(Name and full mail address of agent)

September 1, 1939 *William Smith*
(Date) (Signature of agent)

This is to certify that the person whose name, address, and signature appear above is entitled to use this marketing card for the purpose specified above.

September 1, 1939 *Richard Roe*
(Date) (Signature of producer)

U. S. GOVERNMENT PRINTING OFFICE 8-13045

FIGURE 9. = Power of Attorney contained on reverse side of White Marketing Card.

himself that the producer who is selling the cotton is the producer named in the white marketing card and who countersigned it. A person other than the producer named in the white marketing card may use it in identifying cotton produced on the farm in connection with which the marketing card was issued if the person has been designated in part II of the white marketing card by the producer as his agent. (See Fig. 9.) If the person selling the cotton is not the producer named in the white marketing card, or his agent, the buyer should decline to purchase the cotton without a further investigation since to do so would make the buyer a party to the improper use of the marketing card. If a producer was issued a white marketing card and markets his cotton by telephone, telegraph, or mail, or by any means or method other than directly to and in the presence of the buyer, the producer will identify the cotton by delivering to the buyer a certificate properly executed on Form Cotton 311-A, as

evidence of the fact that the producer was issued a white marketing card. The producer will retain the one copy of Form Cotton 311-A and forward the original and the triplicate copy (Form Cotton 311-A-b) to the buyer. The original of Form Cotton 311-A will be retained by the buyer. The buyer will execute part III and forward the triplicate copy to the treasurer of the county committee. The triplicate copy is prepared in the form of a business reply card and can be mailed by the buyer to the treasurer of the county committee, whose address appears thereon, without prepayment of the postage. The execution of Form Cotton 311-A is illustrated in figure 10 and the instructions, which are printed on the cover of the book containing Forms Cotton 311-A, are set forth in figure 11.

SEC. 530. Procedure to be followed by a buyer where cotton is identified by a red marketing card.—Each red marketing card is printed as a part of a book of Forms Cotton 313. Whenever cotton is identified by a red marketing card, the buyer and the producer are required to make a record of the transaction and the buyer is required to submit a report of the transaction to the treasurer of the county committee. The record and report is required to be made on Form Cotton 313, which is to be executed in triplicate. The report on Form Cotton 313 is the only report required of the buyer where the cotton is identified by a red marketing card except in cases where the buyer is requested to make a report on Form Cotton 320 (see sec. 534 of this summary) or where the cotton is purchased in the seed, in which latter event a report on Form Cotton 326 (see sec. 533 of this summary) is required in addition to the report on Form Cotton 313. The instructions for executing Forms Cotton 313 are printed on the cover of the book containing the forms. The text of those instructions is set forth in figure 12 and the execution of Forms Cotton 313 is illustrated in figures 13 and 14. The buyer should study the instructions carefully.

If cotton is marketed by telephone, telegraph, or mail, or by any means or method other than directly to and in the presence of the buyer, the producer to whom a red marketing card was issued will identify the cotton by delivering to the buyer the original and postal card copy of Form Cotton 313 which has been completely executed by the producer with the exception of item 11.

If a penalty is incurred with respect to the marketing of cotton identified by a red marketing card, Form Cotton 313-a, when executed by the buyer, will constitute the receipt from the buyer to the producer for the penalty collected. But if the cotton is **not** marketed directly to and in the presence of the buyer, the buyer will not be in a position to execute Form Cotton 313-a, which is retained by the producer, and a separate receipt must be furnished by the buyer to the producer for the penalty incurred.

If **no** penalty is incurred, Form Cotton 313-b (the postal card copy) should be deposited in the mail by the buyer at the earliest opportunity, but in no event later than 30 days after the sale. No postage is required to be paid by the buyer since Form Cotton 313-b is a business reply card and the postage will be paid by the treasurer of the county committee (see fig. 15).

If a penalty is incurred, Form Cotton 313-b should **not** be deposited in the mail but should be delivered to the treasurer of the county

Cotton 311-A-b
U. S. DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
April 26, 1939. No. 57052

(White cotton marketing card serial number)

Cotton 311-A-a
U. S. DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
April 26, 1939. No. 57052

(Name) _____
(White cotton marketing card serial number)

Cotton 311-A
U. S. DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
April 26, 1939. No. 57052

(Name) 351
(White cotton marketing card serial number)

65-001-59
(State and county code and farm serial number)

1939-1940 MARKETING YEAR
COTTON MARKETING CERTIFICATE FOR
WHITE COTTON MARKETING CARD

Issued on _____
by the County Agricultural Committee: Richard Roe, Rt. 2, Natchez, Mississippi
(Name and address of operator or producer to whom issued)

PART I

For use by said operator or producer only in the marketing of cotton by telephone, telegraph, or mail, or by any means or method other than directly to and in the presence of a buyer or transferee.

Issued on September 15, 1939,
by the County Agricultural Conservation Committee: John Brown
(Signature of county committeeman)

PART II

The undersigned certifies that (a) 1000 pounds, net weight, of lint cotton was marketed (sold, bartered, or exchanged) on the 20th day of September, 1939, to Harry Smith,
(Name of buyer or transferee)
of Jackson, Mississippi,
(Full mail address)

(b) such cotton was produced in 1939 on the farm identified by the farm serial number shown herein or is cotton held over by a producer thereon from a previous crop, and (c) the county committee has issued to the undersigned a white marketing card (form Cotton 311) identified by the serial number shown herein with respect to such farm as evidence that all cotton of the 1939 crop produced on such farm plus cotton from any previous crop which the producers on the farm have on hand may be marketed without payment of the penalty, if any, provided in Section 348 of the Agricultural Adjustment Act of 1938 at the time of marketing said cotton.

Richard Roe
(Signature of operator or producer)
Sept 22, 1939 Natchez, Miss
(Date) (Place of signature)

PART III

This is to certify that on the date recited above in Part II the undersigned received by sale, barter, or exchange the amount of cotton shown in Part II hereof from the producer whose name and address appear therein.

Harry Smith
(Signature of buyer or transferee) ☐
Sept 23, 1939 Jackson, Miss
(Date) (Place of signature)

FIGURE 10.- Form Cotton 311-A

committee at the time the penalty is remitted. If the cotton was **not** marketed directly to and in the presence of the buyer, Form Cotton 313-b must also be accompanied by the receipt issued by the buyer to the producer for the penalty collected.

There are **10** sets of Forms 313 in each book and the buyer should ascertain in each case that all of the sets are accounted for, either as executed or as unexecuted. Form Cotton 313-a (the yellow copy) should be in the book for each executed set. The yellow copies, plus the unexecuted sets, should account for the 10 sets of Forms Cotton 313 in the book. If any set of Forms Cotton 313 is missing, the buyer

Cotton 311-A
U. S. DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
April 26, 1939.

INSTRUCTIONS PERTAINING TO FORM COTTON 311-A

(For further instructions, see Cotton 307, "Regulations Pertaining to Cotton Marketing Quotas for the 1939-1940 Marketing Year.")

1. Distribute copies as follows:

- Original (form Cotton 311-A)—To the buyer or transferee to whom the cotton is marketed.
- Duplicate (form Cotton 311-A-a)—Retain in the book.
- Triplicate (form Cotton 311-A-b, postal card)—(i) The producer shall forward form Cotton 311-A-b to the buyer or transferee with form Cotton 311-A. (ii) The buyer or transferee shall forward form Cotton 311-A-b to the treasurer of the county agricultural conservation committee by depositing it in the United States mails.

2. The county committee shall

- Enter the State and county code and farm serial number.
- Enter the serial number of the form Cotton 311 issued to the producer.
- Enter the name and address of the producer to whom form Cotton 311-A is issued.
- Enter on the reverse side of form Cotton 311-A-b the address of the treasurer of the county agricultural conservation committee.

3. The producer shall execute Part II as follows:

- Enter the net weight of lint cotton marketed in the particular transaction. Deduct from the gross weight of the bale for bagging and ties 22 pounds (or 14 pounds, in case the bagging is made of cotton) for a square bale and 3 pounds for a round bale. Estimate the amount of lint in seed cotton.
- Enter the date on which the cotton was marketed.
- Enter the name and full mail address of the buyer or transferee.
- Sign his name and enter the date of his signature and the place of execution.

4. The buyer or transferee shall execute Part III as follows:

Execute Part III and enter the date of his signature and the place of execution.

FIGURE 11. = Instruction pertaining to form Cotton 311-A

should decline to purchase the cotton without a further investigation since the red marketing card cannot properly identify the cotton unless all sets of Forms Cotton 313 in the book can be accounted for by the buyer.

The sum of the entries in item 3 of Forms Cotton 313-a in the book accompanying the red marketing card represents the total number of pounds of cotton previously marketed by the producer in connection with the red marketing card. If there is any unused portion of the marketing quota, the balance will appear in item 4 of the Form Cotton 313-a last executed. This balance should be verified by subtracting the sum of the entries in item 3 of all executed Forms 313-a from the marketing quota shown on the red marketing card.

The buyer must satisfy himself that the producer named in the red marketing card and who countersigned it is the producer selling the cotton. A person other than the producer named in the red marketing card may use it in identifying cotton with respect to which it was issued if the person has been designated in part II of the red marketing card by the producer as his agent. If the person selling the cotton is not the producer named in the red marketing card, or his agent, the buyer should decline to purchase the cotton, since to do so without a further investigation would make the buyer a party to the improper use of the marketing card.

<p>Cotton 313 U. S. DEPARTMENT OF AGRICULTURE Agricultural Adjustment Administration ACR 313, 1939</p> <p style="text-align: right;">Farm Serial Number <u>862</u></p> <p style="text-align: center;">INSTRUCTIONS PERTAINING TO FORM COTTON 313 (For further instructions, see Cotton 307, "Regulations Pertaining to Cotton Marketing Quotas for the 1939-1940 Marketing Year.")</p> <p>I. General Instructions</p> <p>1. Distribute copies as follows:</p> <ol style="list-style-type: none"> (a) Original (Cotton 313)—To the buyer or transferee. (b) Duplicate (Cotton 313a)—Retain in the book. (c) Triplicate (Postal card—Cotton 313b)—(1) Marketing by sale —The buyer shall forward Cotton 313b to the treasurer of the county committee by depositing it in the United States mails if no penalty was collected or deducted. If the penalty was collected or deducted, Cotton 313b shall be forwarded by the buyer to the treasurer of the county committee at the time the penalty collected or deducted is remitted. (2) Marketing by barter or exchange —The producer shall forward the Cotton 313b to the treasurer of the county committee as indicated in the case of a buyer if the penalty was not collected or deducted by the transferee. If the transferee collects or deducts the penalty, the transferee shall forward Cotton 313b to such treasurer at the time he remits the penalty. <p>2. The county office shall</p> <ol style="list-style-type: none"> (a) Enter the State and county code and farm serial number on each Cotton 313. (b) Enter the name and address of the producer in item 1 of each Cotton 313. (c) Enter the amount of the farm marketing quota or producer marketing quota in item 2 of the <u>first</u> Cotton 313. (d) Enter on the reverse side of each Cotton 313b the address of the treasurer of the county committee. <p>II. Marketing by Telephone, Telegraph, or Letter or by Other Similar Means or Method</p> <p>Form Cotton 313 shall be executed in accordance with the instructions in Part II hereof except that (1), if the cotton is marketed by sale, the producer shall fill out Cotton 313 through item 10 and forward Cotton 313 and Cotton 313b to the buyer, who shall then execute item 11 and forward Cotton 313b to the treasurer of the county committee; or (2), if the cotton is marketed by barter or exchange, the producer shall fill out Cotton 313 through item 10 and (a) send Cotton 313 to the transferee, if the penalty is not to be collected or deducted by the transferee, and forward Cotton 313b to such treasurer, or (b) send Cotton 313 and Cotton 313b to the transferee, if the penalty is to be collected or deducted by the transferee, who shall execute item 11 and forward Cotton 313b to such treasurer.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Note to Producer: Do not include on Cotton 313 cotton produced in 1939 on any farm other than the one for which it was issued. Enter in item 9 the name and share of each producer in the cotton marketed. If more than 3 producers share therein, enter in item 9 the words "See attached sheet" and attach a list to Cotton 313b showing the information required in item 9.</p> </div>	<p>III. Marketing Directly to and in Presence of Buyer or Transferee</p> <ol style="list-style-type: none"> 1. The producer and buyer or transferee shall enter— <ol style="list-style-type: none"> (a) In item 2 the amount, if any, of the unused portion of the marketing quota from item 4 of the preceding copy of Cotton 313a. (Verify by subtracting the sum of all previous entries in item 3 from the marketing quota shown on Cotton 312). Make no entry if there is no unused portion of the marketing quota. (b) In item 3 the net weight of lint cotton marketed in the particular transaction; deducting from the gross weight for bagging and ties 22 pounds (or 14 pounds, in case the bagging is made of cotton) for a square bale or 3 pounds for a round bale. If cotton is sold in the seed, enter the estimated or known amount of lint cotton. (c) In item 4 the amount by which the entry in item 2 exceeds the entry in item 3. If the entry in item 3 is equal to or in excess of the entry in item 2, make no entry in item 4. (d) In item 5 the amount by which the entry in item 3 exceeds the entry in item 2. If the entry in item 3 is equal to or less than the entry in item 2, make no entry in item 5. (e) In item 6 the result obtained by multiplying 3 cents by the amount, if any, in item 5. Make no entry in item 6 if no entry is required in item 5. (f) In item 7 the gin bale number or mark of each bale of cotton marketed in the particular transaction, or where cotton was sold in the seed, the number of pounds of seed cotton followed by the words "pounds of seed cotton". (g) In item 8 the date the cotton is marketed. 2. In item 9 the producer to whom form Cotton 313 was issued, with the assistance of the buyer or transferee, shall enter the name of each producer having an interest in the cotton marketed and the amount of his share expressed in pounds of net lint cotton. If only one producer has an interest, his name and the amount of cotton marketed shall be entered. If more than three producers share therein, enter in item 9 the words "See attached sheet" and attach a list to Cotton 313b showing the information required in item 9. 3. In item 10 the buyer or transferee shall enter his name and address. The producer shall execute item 10 and enter therein the date of his signature and the place of execution. 4. The buyer or transferee shall execute item 11 and state in the blank space the fact that the penalty "was" or "was not" collected or deducted and enter the date of his signature and the place of execution.
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FIGURE 12. = Instructions pertaining to form Cotton 313.

SEC. 531. Procedure to be followed by a buyer where cotton is identified by a blue marketing card.—Each blue marketing card is printed as a part of a book of Forms Cotton 315. Whenever cotton is identified by a blue marketing card, the buyer and the producer are required to make a record of the transaction and the buyer is required to submit a report of the transaction to the treasurer of the county committee. The record and report is required to be made on Form Cotton 315, which is to be executed in triplicate. The report on Form Cotton 315 is the only report required of the buyer where cotton is identified by a blue marketing card, except in cases where the buyer is requested to make a report on Form Cotton 320 (see sec. 534 of

Cotton 313-b
U. S. DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
April 26, 1939.

No. 210582

COTTON MARKETING

Cotton 313-a
U. S. DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
April 26, 1939.

No. 210582

1. _____

2. Marketing quota from item 4 of _____

3. Cotton marketed in excess of action (do not include any other transaction) _____

4. Balance of marketing quota (amount by which item 2 exceeds item 3) _____

5. Amount of cotton marketed in excess of marketing quota (amount by which item 3 exceeds item 2) _____

6. Amount of penalty (3¢ times item 5) _____

7. Gin bale number and mark(s) or pounds of seed cotton _____

8. Date cotton marketed _____

9. Each producer _____

a. Name: _____

b. Name: _____

c. Name: _____

d. Total (must equal item 3 above) _____

10. The undersigned certifies that the data shown in items 1 through 9 hereof are true, accurate, and complete and that the cotton shown in item 3 and item 9 hereof was produced in 1939 on the farm identified by the serial number shown herein or is cotton from a previous crop and was marketed (sold, bartered, or exchanged) to _____

of _____

(Date) 19 _____

11. The undersigned _____

6 hereof _____

from the purchase price or exchange or barter value of the cotton shown in item 5 hereof by the undersigned.

(Date) 19 _____

1/ If penalty was collected or deducted, _____

COTTON MARKETING

1. _____

2. Marketing quota from item 4 of _____

3. Cotton marketed in excess of action (do not include any other transaction) _____

4. Balance of marketing quota (amount by which item 2 exceeds item 3) _____

5. Amount of cotton marketed in excess of marketing quota (amount by which item 3 exceeds item 2) _____

6. Amount of penalty (3¢ times item 5) _____

7. Gin bale number and mark(s) or pounds of seed cotton _____

8. Date cotton marketed _____

9. Each producer _____

a. Name: _____

b. Name: _____

c. Name: _____

d. Total (must equal item 3 above) _____

10. The undersigned certifies that the data shown in items 1 through 9 hereof are true, accurate, and complete and that the cotton shown in item 3 and item 9 hereof was produced in 1939 on the farm identified by the serial number shown herein or is cotton from a previous crop and was marketed (sold, bartered, or exchanged) to _____

of _____

(Date) 19 _____

11. The undersigned _____

6 hereof _____

from the purchase price or exchange or barter value of the cotton shown in item 5 hereof by the undersigned.

(Date) 19 _____

1/ If penalty was collected or deducted, _____

Cotton 313
U. S. DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
April 26, 1939.

No. 210582

64-021-862

(State and county code and farm serial number)

1939-1940 MARKETING YEAR

COTTON MARKETING RECORD AND PENALTY RECEIPT

1. John Doe, Luverne, Alabama
(Name and address of producer to whom issued)2. Marketing quota brought forward (enter from item 4 of preceding page)..... 2000 pounds3. Cotton marketed in this particular transaction (do not include any other transaction)..... 1500 pounds4. Balance of marketing quota (amount by which item 2 exceeds item 3)..... 500 pounds

5. Amount of cotton marketed in excess of marketing quota (amount by which item 3 exceeds item 2)..... _____ pounds

6. Amount of penalty (3¢ times item 5)..... \$ _____

7. Gin bale number(s) or mark(s) or pounds of seed cotton 846; 912; and 10128. Date cotton in item 3 above was marketed Aug. 30, 1939

9. Each producer's share in cotton shown in item 3 above:

a. Name: John Doe 750 poundsb. Name: Richard Roe 750 pounds

c. Name: _____ pounds

d. Total (must equal item 3 above)..... 1500 pounds

10. The undersigned certifies that the data shown in items 1 through 9 hereof are true, accurate, and complete and that the cotton shown in item 3 and item 9 hereof was produced in 1939 on the farm identified by the serial number shown herein or is cotton from a previous crop and was marketed (sold, bartered, or exchanged) to _____

John Black
(Name of buyer or transferee)

of Dozier, Alabama
(Full mail address of buyer or transferee)

John Doe
(Signature of producer to whom issued)

Aug. 30, 1939 Luverne, Alabama
(Date) (Place of signature)

11. The undersigned certifies that the amount of the penalty shown in item 6 hereof was not collected from the producer or deducted from the purchase price or exchange or barter value of the cotton shown in item 5 hereof by the undersigned.

John Black
(Signature of buyer or transferee)

Aug. 30, 1939 Dozier, Alabama
(Date) (Place of signature)

1/ If penalty was collected or deducted, insert the word "was". If penalty was not collected or deducted, insert the words "was not". ☐

FIGURE 13. = Execution of form Cotton 313 where no penalty is incurred.

Cotton 313-b
U. S. DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
April 26, 1939.

No. 210581

COTTON MARKETING

Cotton 313-a
U. S. DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
April 26, 1939.

No. 210581

1. _____
2. Marketing quota from item 4 of _____
3. Cotton marketed (do not include any other transaction) _____
4. Balance of marketing quota (amount by which item 2 exceeds item 3) _____
5. Amount of cotton marketed in excess of marketing quota (amount by which item 3 exceeds item 2) _____
6. Amount of penalty (3 times item 5) \$ 15.00
7. Gin bale number(s) or mark(s) or pounds of seed cotton 1020 and 1021
8. Date cotton marketed Sept. 15, 1939
9. Each producer of _____
 - a. Name: _____
 - b. Name: _____
 - c. Name: _____
 - d. Total (must equal item 3 above) _____
10. The undersigned certifies that the data shown in items 1 through 9 hereof are true, accurate, and complete and that the cotton shown in item 3 and item 9 hereof was produced in 1939 on the farm identified by the serial number shown herein or is cotton from a previous crop and was marketed (sold, bartered, or exchanged) to _____

11. The undersigned certifies that the amount of the penalty shown in item 6 hereof was collected or deducted from the purchase price or exchange or barter value of the cotton shown in item 5 hereof by the undersigned.

COTTON MARKETING

Cotton 313
U. S. DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
April 26, 1939.

No. 210581

64-021-862
(State and county code and farm serial number)

1939-1940 MARKETING YEAR

COTTON MARKETING RECORD AND PENALTY RECEIPT

1. John Doe, Luverne, Alabama
(Name and address of producer to whom issued)
2. Marketing quota brought forward (enter from item 4 of preceding page) 500 pounds
3. Cotton marketed in this particular transaction (do not include any other transaction) 1000 pounds
4. Balance of marketing quota (amount by which item 2 exceeds item 3) _____ pounds
5. Amount of cotton marketed in excess of marketing quota (amount by which item 3 exceeds item 2) 500 pounds
6. Amount of penalty (3 times item 5) \$ 15.00
7. Gin bale number(s) or mark(s) or pounds of seed cotton 1020 and 1021

8. Date cotton in item 3 above was marketed Sept. 15, 1939
9. Each producer's share in cotton shown in item 3 above:

- a. Name: John Doe 500 pounds
- b. Name: Richard Roe 500 pounds
- c. Name: _____ pounds
- d. Total (must equal item 3 above) 1000 pounds

10. The undersigned certifies that the data shown in items 1 through 9 hereof are true, accurate, and complete and that the cotton shown in item 3 and item 9 hereof was produced in 1939 on the farm identified by the serial number shown herein or is cotton from a previous crop and was marketed (sold, bartered, or exchanged) to _____

11. The undersigned certifies that the amount of the penalty shown in item 6 hereof was collected or deducted from the purchase price or exchange or barter value of the cotton shown in item 5 hereof by the undersigned.

11. The undersigned certifies that the amount of the penalty shown in item 6 hereof was collected or deducted from the purchase price or exchange or barter value of the cotton shown in item 5 hereof by the undersigned.

11. The undersigned certifies that the amount of the penalty shown in item 6 hereof was collected or deducted from the purchase price or exchange or barter value of the cotton shown in item 5 hereof by the undersigned.

FIGURE 14. = Execution of form Cotton 313 where penalty is incurred.

this summary) or where the cotton is purchased in the seed, in which latter event a report on Form Cotton 326 (see sec. 533 of this summary) is required in addition to the report on Form Cotton 315. The instructions for executing Forms Cotton 315 are printed on the cover of the book containing the forms. The text of those instructions is set forth in figure 16 and the execution of Forms Cotton 315 is illustrated in figures 17 and 18. The buyer should study the instructions carefully.

If cotton is marketed by telephone, telegraph, or mail, or by any means or method other than directly to and in the presence of the buyer, the producer to whom a blue marketing card was issued will identify the cotton by delivering to the buyer the original and the triplicate copy of Form Cotton 315 which has been completely executed by the producer with the exception of item 11.

FIGURE 15. - Business Reply Card - Form Cotton 313-b

Cotton identified by a blue marketing card is marketed subject to penalty. The penalty is 2 cents per pound for the cotton marketed in connection with the blue marketing card up to and including the amount of carry-over penalty cotton shown on the blue marketing card. The cotton marketed in connection with it in excess of that amount is subject to the penalty of 3 cents per pound.

There are **five** sets of Forms 315 in each book and the buyer should ascertain in each case that all of the sets are accounted for, either as executed or as unexecuted. Form 315-a (the yellow copy) should be in the book for each executed set. The yellow copies, plus the unexecuted sets, should account for the five sets of Forms Cotton 315 in the book.

The sum of the entries in item 3 of Forms Cotton 315-a in the book accompanying the blue marketing card represents the total number of pounds of cotton previously marketed by the producer in connection with the blue marketing card. The entry in item 3 of the last Form Cotton 315-a which has been executed should be verified by subtracting the sum of the entries in item 3 of all executed Forms 315-a from the amount of carry-over penalty cotton shown on the blue marketing card. If any set of Forms Cotton 315 is missing, the buyer should decline to purchase the cotton without a further investigation since the blue marketing card cannot properly

identify the cotton unless all sets of Forms Cotton 315 in the book can be accounted for by the buyer.

The receipt from the buyer to the producer for the penalty collected will be the executed Form 315-a. But if the cotton is **not** marketed directly to and in the presence of the buyer, the buyer cannot execute Form Cotton 315-a, which is retained by the producer, and a separate receipt must be furnished by the buyer to the producer for the penalty incurred.

Form Cotton 315-b should **not** be deposited in the mail since it is not a business reply card (see fig. 19). Instead it should be delivered to the treasurer of the county committee whose address appears thereon at the time the penalty is remitted to him.

Cotton 315
U. S. DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
April 30, 1939.

Farm Serial NO. 1001

INSTRUCTIONS PERTAINING TO FORM COTTON 315
(For further instructions, see Cotton 307, "Regulations Pertaining to Cotton Marketing Quotas for the 1939-1940 Marketing Year.")

General Instructions

1. Distribute copies as follows:

- (a) Original (Cotton 315)—To the buyer or transferee.
- (b) Duplicate (Cotton 315a)—Retain in the book.
- (c) Triplicate (Cotton 315b)—(1) **Marketing by sale**—The buyer shall forward Cotton 315b to the treasurer of the county committee at the time the penalty collected or deducted is remitted. If Cotton 315 is accompanied by Cotton 315-A, Cotton 315b shall be forwarded at once to the treasurer of the county committee by the buyer. (2) **Marketing by barter or exchange**—The producer shall forward the Cotton 315b to the treasurer of the county committee at the time the penalty is remitted if the penalty was not collected or deducted by the transferee. The transferee shall forward Cotton 315b to such treasurer as indicated in the case of a buyer if the transferee collects or deducts the penalty.

2. The county office shall:

- (a) Enter the State and county code and farm serial number on each Cotton 315.
- (b) Enter the name and address of the producer in item 1 of each Cotton 315.
- (c) Enter the amount of carry-over penalty cotton in item 2 of the first Cotton 315.
- (d) Enter on the reverse side of each Cotton 315b the address of the treasurer of the county committee.

3. **Marketing by Telephone, Telegraph, or Letter or by Other Similar Means or Method**

Form Cotton 315 shall be executed in accordance with the instructions in Part III hereof except that (1), if the cotton is marketed by sale, the producer shall fill out Cotton 315 through item 10 and forward Cotton 315 and Cotton 315b to the buyer, who shall then, execute item 11 and forward Cotton 315b to the treasurer of the county committee with the penalty, or (2), if the cotton is marketed by barter or exchange, the producer shall fill out Cotton 315 through item 10 and (a) send Cotton 315 to the transferee, if the penalty is not to be collected or deducted by the transferee, and forward Cotton 315b to such treasurer, or (b) send Cotton 315 and Cotton 315b to the transferee, if the penalty is to be collected or deducted by the transferee, who shall execute item 11 and forward Cotton 315b to such treasurer.

Note to Producer: Enter in item 9 the name and share of each producer in the cotton marketed. If more than 3 producers share therein, enter in item 9 the words "See attached sheet" and attach a list to Cotton 315b showing the information required in item 9.

III. Marketing Directly to and in Presence of Buyer or Transferee

1. The producer and buyer or transferee shall enter—

- (a) In item 2 the amount, if any, of the unmarketed carry-over penalty cotton from item 4 of the preceding copy of Cotton 315a. (Verify by subtracting the sum of all previous entries in item 3 from the carry-over penalty cotton shown on Cotton 314.) Make no entry if there is no unmarketed portion of carry-over penalty cotton.
- (b) In item 3 the net weight of lint cotton marketed in the particular transaction, deducting from the gross weight for bagging and ties 22 pounds (or 14 pounds, in case the bagging is made of cotton) for a square bale or 3 pounds for a round bale. If the cotton is sold in the seed, enter the known or estimated amount of lint cotton.
- (c) In item 4 the amount by which the entry in item 2 exceeds the entry in item 3. If the entry in item 3 is equal to or in excess of the entry in item 2, make no entry in item 4.
- (d) In item 5 the amount by which the entry in item 3 exceeds the entry in item 2. If the entry in item 3 is equal to or less than the entry in item 2, make no entry in item 5.
- (e) In item 6a the result obtained by multiplying 2 cents by the entry in item 2 or item 3, whichever is the smaller. If there is no entry in item 2, enter the word "None".
- (f) In item 6b the result obtained by multiplying 3 cents by the amount, if any, in item 5. If no entry is required in item 5 enter the word "None".
- (g) In item 7 the gin bale number or mark of each bale of cotton marketed in the particular transaction, or, when cotton was sold in the seed, the number of pounds of seed cotton followed by the words, "pounds of seed cotton".
- (h) In item 8 the date the cotton is marketed.

2. In item 9 the producer to whom form Cotton 315 was issued, with the assistance of the buyer or transferee, shall enter the name of each producer having an interest in the cotton marketed and the amount of his share expressed in pounds of net lint cotton. If only one producer has an interest, his name and the amount of cotton marketed shall be entered. If more than three producers share therein, enter in item 9 the words "See attached sheet" and attach a list to Cotton 315b showing the information required in item 9.

3. In item 10 the buyer or transferee shall enter his name and address. The producer shall execute item 10 and enter therein the date of his signature and the place of execution.

4. The buyer or transferee shall execute item 11 and state in the blank space the fact that the penalty "was" or "was not" collected or deducted and enter the date of his signature and the place of execution. The penalty shall be collected or deducted by the buyer unless the penalty has been paid in advance by the producer as evidenced by Cotton 315-A.

FIGURE 16. = Instructions pertaining to Form Cotton 315

A person other than the producer named in the blue marketing card may use it in identifying cotton with respect to which it was issued if the person has been designated in part II of the blue marketing card by the producer as his agent. If the person selling the cotton is not the producer named in the blue marketing card, or his agent, the buyer should decline to purchase the cotton since to do so without a further investigation would make the buyer a party to the improper use of the marketing card.

SEC. 532. Procedure to be followed where cotton is not identified by a marketing card.—Where the producer fails or refuses or is not in a position to identify the cotton to be sold with a marketing card

or certificate, the cotton is deemed to be marketed subject to the penalty of 3 cents per pound. The buyer should collect the penalty of 3 cents per pound on the entire amount of the cotton. Since the producer will not have a Form Cotton 313, the buyer must make a written and signed report showing the information required to be shown on Form Cotton 313. This report should be delivered to the treasurer of the county committee for the county in which the cotton was produced at the time the penalty is remitted. **In no case should the buyer accept the statement of the producer or of any other person that the producer has a marketing card of a particular description or that the cotton is marketed not subject to penalty.**

SEC. 533. Procedure to be followed where seed cotton is purchased.—Form Cotton 326 is the report required of the buyer in each case where he purchases seed cotton from a producer. This is true whether the buyer is also the ginner of the cotton or whether the buyer is some other person. The report is also required even though a report on Form Cotton 313 is submitted where cotton is identified by a red marketing card or a report on Form Cotton 315 is submitted where cotton is identified by a blue marketing card.

Form Cotton 326 must be executed for all cotton purchased in the seed. This includes "toll cotton," that is, cotton received in lieu of cash or other charges for ginning, and all cotton which is purchased from the producer prior to the time it is ginned.

The individual proportionate interest of each producer in the seed cotton purchased must be separately shown on Form Cotton 326. Where the cotton is marketed by a share tenant or sharecropper, the interest of the share tenant or sharecropper and of the landlord or operator, or both, in the cotton must be set forth. This is likewise true in case the cotton is sold by the landlord or operator.

The distribution of Forms Cotton 326 in case the **cotton is purchased from the producer by a buyer other than the ginner** is as follows: (1) The original and first carbon copy (the yellow copy) are to be delivered by the buyer to the ginner who is to gin the cotton; and (2) the second carbon copy (the salmon copy) is to be retained by the buyer. If the cotton was identified by a red or a blue marketing card, the buyer would make his report on Form Cotton 313 or Form Cotton 315 in the regular manner to the treasurer of the county committee and collect and remit the penalty, if any, as in other cases.

The distribution of Forms Cotton 326 in case the **cotton is purchased from the producer by the ginner** is as follows: (1) The ginner would retain both carbon copies; and (2) the original will be delivered to the treasurer of the county committee as hereinafter explained. In case the cotton is identified by a red or a blue marketing card, the ginner shall execute Form Cotton 313 or 315 in the regular manner. It should be noted that a separate Form Cotton 313 or 315 is required in connection with each amount of "toll cotton."

The **ginner** is required to forward the original of Form Cotton 326 to the treasurer of the county committee at the time he makes his report on Form Cotton 316. This is true whether the ginner purchased the cotton from the producer or whether it was ginned for a buyer who had purchased the cotton from the producer. All Forms Cotton 326 received during the period from the first through the

Cotton 315-b U. S. DEPARTMENT OF AGRICULTURE Agricultural Adjustment Administration April 26, 1939.	No. 57306
MARK FC	Cotton 315-a U. S. DEPARTMENT OF AGRICULTURE Agricultural Adjustment Administration April 26, 1939.
1. _____	No. 57306
2. Unmarketed from item 4	MARK FC
3. Cotton marketed (do not)	Cotton 315 U. S. DEPARTMENT OF AGRICULTURE Agricultural Adjustment Administration April 26, 1939.
4. Balance of cotton (amount item 3).....	No. 57306
5. Cotton marketed penalty cotton exceeds item	<u>57-069-1001</u>
6. Amount of _____	(State and county code and farm serial number)
a. 2¢ times _____	1939-1940 MARKETING YEAR
in item 2	MARKETING RECORD AND PENALTY RECEIPT FOR CARRY-OVER PENALTY COTTON
b. 3¢ times _____	1. <u>Henry White, Rt. 1, Clarksville, Georgia</u> (Name and address of producer to whom issued)
7. Gin bale number _____	2. Unmarketed carry-over penalty cotton (enter from item 4 of preceding page)..... <u>1000</u> pounds
seed cotton _____	3. Cotton marketed in this particular transaction (do not include any other transaction)..... <u>540</u> pounds
8. Date cotton _____	4. Balance of unmarketed carry-over penalty cotton (amount by which item 2 exceeds item 3)..... <u>460</u> pounds
9. Each producer _____	5. Cotton marketed in excess of carry-over penalty cotton (amount by which item 3 exceeds item 2)..... _____ pounds
a. Name: _____	6. Amount of penalty—
b. Name: _____	a. 2¢ times SMALLER of amounts shown in item 2 and item 3..... \$ <u>10.80</u>
c. Name: _____	b. 3¢ times amount shown in item 5..... \$ _____
d. Total (mark) _____	7. Gin bale number(s) or mark(s) or pounds of seed cotton..... <u>1516</u>
10. The undersigned hereof are _____	8. Date cotton in item 3 above was marketed <u>Aug. 18, 1939</u>
of _____	9. Each producer's share in cotton shown in item 3 above:
(Date) _____	a. Name: <u>Henry White</u> <u>540</u> pounds
11. The undersigned hereof from the _____	b. Name: _____ pounds
undersigned _____	c. Name: _____ pounds
(Date) _____	d. Total (must equal item 3 above)..... <u>540</u> pounds
hereof from the _____	10. The undersigned certifies that the data shown in items 1 through 9 hereof are true, accurate, and complete and that the cotton shown in item 3 and item 9 hereof was marketed, sold, bartered, or exchanged) to
(Date) _____	<u>Richard Roe</u> (Name of buyer or transferee)
1/ If penalty collected or deducted _____	<u>Alto, Georgia</u> (Full mail address of buyer or transferee)
(Date) _____	<u>Henry White</u> (Signature of producer to whom issued)
hereof from the _____	<u>Aug 18, 1939</u> <u>Clarksville, Georgia</u> (Date) (Place of signature)
(Date) _____	11. The undersigned certifies that the amount of the penalty shown in item 6 hereof _____ was _____ collected from the producer or deducted from the purchase price or exchange or barter value of the cotton by the undersigned
1/ If penalty collected or deducted _____	<u>Richard Roe</u> (Signature of buyer or transferee)
(Date) _____	<u>Aug 18, 1939</u> <u>Alto, Georgia</u> (Date) (Place of signature)
hereof from the _____	1/ If penalty was collected or deducted, insert the word "was". If penalty was not collected or deducted, insert the words "was not".
(Date) _____	

FIGURE 17. = Execution of Form Cotton 315 where penalty of only two cents per pound was incurred.

Cotton 315-b U. S. DEPARTMENT OF AGRICULTURE Agricultural Adjustment Administration April 26, 1939.		No. 57307	
MARK FC		Cotton 315-a U. S. DEPARTMENT OF AGRICULTURE Agricultural Adjustment Administration April 26, 1939.	
No. 57307		No. 57307	
1. _____ 2. Unmarketed from item 4 3. Cotton marketed in this particular transaction (do not include any other transaction) 4. Balance of cotton (amount by which item 2 exceeds item 3)..... 5. Cotton marketed in excess of carry-over penalty cotton (amount by which item 3 exceeds item 2)..... 6. Amount of penalty— a. 2¢ times SMALLER of amounts shown in item 2 and item 3..... b. 3¢ times amount shown in item 5..... 7. Gin bale number(s) or mark(s) or pounds of seed cotton _____ 8. Date cotton _____ 9. Each producer's share in cotton shown in item 3 above: a. Name: _____ b. Name: _____ c. Name: _____ d. Total (must equal item 3 above)..... 10. The undersigned certifies that the data shown in items 1 through 9 hereof are true, accurate, and complete and that the cotton shown in item 1 and item 2 hereof was marketed (sold, bartered or exchanged) to _____ a. Name: _____ b. Name: _____ c. Name: _____ d. Total (must equal item 3 above)..... 11. The undersigned certifies that the amount of the penalty shown in item 6 hereof was _____ collected from the producer or deducted from the purchase price or exchange or barter value of the cotton by the undersigned. a. Name: _____ b. Name: _____ c. Name: _____ d. Total (must equal item 3 above).....		Cotton 315 U. S. DEPARTMENT OF AGRICULTURE Agricultural Adjustment Administration April 26, 1939.	
No. 57307		No. 57307	
57-069-1001 (State and county code and farm serial number)		1939-1940 MARKETING YEAR MARKETING RECORD AND PENALTY RECEIPT FOR CARRY-OVER PENALTY COTTON	
1. <u>Henry White, Rt. 1, Clarkesville, Georgia</u> (Name and address of producer to whom issued)		2. Unmarketed carry-over penalty cotton (enter from item 4 of preceding page)..... <u>460</u> pounds	
3. Cotton marketed in this particular transaction (do not include any other transaction)..... <u>530</u> net lint pounds		4. Balance of unmarketed carry-over penalty cotton (amount, by which item 2 exceeds item 3)..... _____ pounds	
5. Cotton marketed in excess of carry-over penalty cotton (amount by which item 3 exceeds item 2)..... <u>70</u> pounds		6. Amount of penalty— a. 2¢ times SMALLER of amounts shown in item 2 and item 3..... <u>\$9.20</u> b. 3¢ times amount shown in item 5..... <u>\$2.10</u>	
7. Gin bale number(s) or mark(s) or pounds of seed cotton <u>451-X</u>		8. Date cotton in item 3 above was marketed <u>Sept. 13, 1939</u>	
9. Each producer's share in cotton shown in item 3 above: a. Name: <u>Henry White</u> <u>530</u> pounds b. Name: _____ pounds c. Name: _____ pounds d. Total (must equal item 3 above)..... <u>530</u> pounds		10. The undersigned certifies that the data shown in items 1 through 9 hereof are true, accurate, and complete and that the cotton shown in item 1 and item 2 hereof was marketed (sold, bartered or exchanged) to <u>Richard Roe</u> a. Name: <u>Alto, Georgia</u> b. Name: <u>Henry White</u> c. Name: _____ d. Total (must equal item 3 above).....	
11. The undersigned certifies that the amount of the penalty shown in item 6 hereof was _____ collected from the producer or deducted from the purchase price or exchange or barter value of the cotton by the undersigned. a. Name: <u>Richard Roe</u> b. Name: <u>Alto, Georgia</u> c. Name: _____ d. Total (must equal item 3 above).....		12. The undersigned certifies that the amount of the penalty shown in item 6 hereof was _____ collected from the producer or deducted from the purchase price or exchange or barter value of the cotton by the undersigned. a. Name: <u>Richard Roe</u> b. Name: <u>Alto, Georgia</u> c. Name: _____ d. Total (must equal item 3 above).....	

FIGURE 18.—Execution of form Cotton 315 where penalty of two cents and three cents per pound was incurred.

fifteenth of the month by the ginner for cotton ginned for buyers or prepared by him for cotton he purchases in the seed should be submitted to the treasurer of the county committee at the time Forms Cotton 316 for that period are submitted. This is also applicable to Forms Cotton 326 received or prepared during the period from the

Cotton 315-b
UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

THIS COPY MUST BE TRANSMITTED TO—

TREASURER OF COUNTY AGRICULTURAL
CONSERVATION COMMITTEE

FIGURE 19. = Form Cotton 315-b - To accompany penalty when remitted.

COTTON 326
U. S. DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
May 1939

1939-40 MARKETING YEAR 26904

BUYER'S REPORT OF SEED COTTON PURCHASED

Name of Buyer John Dae Full Mail Address of Buyer Marionna, Florida

Farm Serial No.	County and State in which cotton was produced	Name of operator of farm in which cotton was produced	Name of producer(s) (including operator) having an interest in seed cotton	Producer's share in seed cotton (Pounds)	Estimated weight of seed producer's share in lot (Pounds)	For use in county office
(A)	(B)	(C)	(D)	(E)	(F)	(G)
1 891	Jackson, Fla.	John Brown	John Brown	750	263	
2 891	Jackson, Fla.	John Brown	Richard Poe	750	263	
3 60	Jackson, Fla.	William Smith	William Smith	300	105	
4 21	Escambia, Fla.	Jack Nelson	Jack Nelson	600	210	
5 81	Escambia, Fla.	Jack Nelson	Harry White	600	210	
6						
7						
8						
9						
10						
TOTAL						

The undersigned buyer of seed cotton certifies that to the best of his knowledge the above constitutes a full, true, and correct report of all seed cotton purchased by the undersigned as requested and provided for in section 802 (c) of the Regulations Pertaining to Cotton Marketing Quotas for the 1939-40 Marketing Year contained in Cotton 307 issued by the Secretary of Agriculture.

John Dae (Signature of buyer)
September 18, 1939 (Date)
Marionna, Florida (Place of signing)

FIGURE 20. = Execution of Form Cotton 326.


sixteenth through the last day of the month. Forms Cotton 326 should be submitted to the treasurer of the county committee in that manner whether the cotton has been ginned at that time or not.

The execution of Form Cotton 326 is illustrated in figure 20.

SEC. 534. Buyer's special report.—The buyer's special report is Form Cotton 320 (see fig. 21). This report is to be made only after

24 INSTRUCTIONS—COTTON MARKETING QUOTAS FOR 1939

the county committee has requested the buyer to do so. When the buyer is requested to make the special report on Form Cotton 320, the report must cover all cotton previously purchased by the buyer during the marketing year. Form Cotton 320 will be requested of a buyer

COTTON 320 U. S. DEPARTMENT OF AGRICULTURE AGRICULTURAL ADJUSTMENT ADMINISTRATION May 1939		BUYER'S SPECIAL REPORT 1939-40 MARKETING YEAR		SHEET No. _____ OF _____ SHEETS	
(Issued and executed with respect to farm marketing quotas for cotton for the marketing year August 1, 1939-July 31, 1940, pursuant to the Agricultural Adjustment Act of 1938)					
Name and address of producer (A)	Cto bale No (s) or mark(s) (B)	Pounds of lint cotton purchased ¹ (C)	Amount of the penalty collected if none enter the word "None" (D)	County in which cotton purchased was produced (E)	
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
					
31					
32					
33 TOTAL	X X X X X				

¹ Not weirs. Deduct from gross weight for bagging and lino 22 pounds for 14 pounds. In case the bagging is made of cotton for square bales and 3 pounds for round bales. If cotton was bought in the seed, insert the actual number of pounds of lint turn-out if known; if not known, enter the estimated lint turn-out and in column B enter the words "Seed Cotton."

The undersigned certifies that to the best of his knowledge the above constitutes a full, true, and correct report of all the cotton purchased by the undersigned as requested and provided for in section 802 (b) of the "Regulations Pertaining to Cotton Marketing Quotas for the 1939-1940 Marketing Year" contained in Cotton 307 issued by the Secretary of Agriculture.

(Signature of buyer)

(Place of signing) _____ 19____
(Date)

Subscribed and sworn to at the place and on the date shown above before the undersigned officer authorized to administer oaths in such matters.

(Signature and title)

[SEAL OF OFFICE; IF NONE]
[PROVIDED, SO STATE]

U. S. GOVERNMENT PRINTING OFFICE 16--

FIGURE 21. = Form Cotton 320 - Buyer's Special Report.

in the following cases **only**: Where the county committee finds or it has reason to believe that a buyer has failed to collect any penalty incurred, or has failed to remit any penalty incurred, or has failed to require the producer to identify cotton at the time it was purchased by him.

1.42
C22C

Cotton 608 - Part I, ECR
U. S. Department of Agriculture
Agricultural Adjustment Administration
East Central Division

Issued September 8, 1941.

DETERMINATION OF 1942 FARM COTTON
ACREAGE ALLOTMENTS, NORMAL YIELDS,
AND MARKETING QUOTAS

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U. S. Department of Agriculture

I

Section 1. Eligible farms. A cotton acreage allotment, normal yield per acre, and marketing quota will be determined for each farm on which cotton was planted during any of the years 1939, 1940, and 1941 and also for each farm on which cotton will be planted in 1942 for the first time since 1938 and for which an application for an acreage allotment is made within the time limit prescribed herein in Section 2D.

Sec. 2. County office instructions. Acreage data to be listed on form Cotton 610, "1942-1943 Marketing Year Farm Cotton Acreage Allotments, Yields, and Marketing Quotas" (hereinafter referred to as form Cotton 610), will be obtained from form ECR-313, "Farm Cotton Data Sheet" (hereinafter referred to as form ECR-313). Entries of acreage and yield data on form ECR-313 will be made in accordance with instructions contained in ECR-ADM-687.

Data for farms will be tabulated on form Cotton 610 in three separate groups as follows: (1) group 1-A, which will include data for each farm on which the highest planted and diverted cotton acreage in any of the years 1939, 1940, and 1941 was 5.0 acres or more; (2) group 1-B, which will include data for each farm on which the highest planted and diverted cotton acreage in any of the years 1939, 1940, and 1941 was less than 5.0 acres; and (3) group 1-C, which will include data for each farm on which cotton will be planted in 1942 for the first time since 1938. (Farms which were classified in group 1-C for 1941 and on which cotton was planted in 1941 will be included on form Cotton 610 in the applicable group 1-A or 1-B for 1942. Farms which were classified in group 1-A or 1-B for 1941, but on which cotton has not been planted since 1938, will be included in group 1-C for 1942 if cotton will be planted thereon in 1942.)

NOTE: Any farm on which no cotton was planted in 1939 and 1940 and on which the 1941 planted cotton acreage is less than 3 acres or 3 percent of the 1941 cotton acreage allotment, whichever is smaller, but in any event less than one-tenth of an acre, shall be included in group 1-C.

The tabulations shall be prepared on form Cotton 610 as follows:

A. TABULATION OF DATA FOR FARMS IN GROUP 1-B

Data for group 1-B farms will be tabulated on form Cotton 610 before the data for groups 1-A and 1-C farms are tabulated. Enter in the spaces provided on each sheet of form Cotton 610 the page number, the name of the county 1/ and State, and the group symbol (1-B). Columns 1, 2, 3, 4, 5, 6, and 13 will be filled out in accordance with the following instructions:

Column number and heading	Source of information
1. 1941 serial number	Form ECR-313
2. 1942 serial number	If renumbered for 1942, enter from form ECR-313 after form ECR-313 has been renumbered
3. Name of operator	Form ECR-313
4. Tilled acreage	Form ECR-313, Col. H
5. Tilled acreage adjusted	Form ECR-313, Col. L
6. Highest cotton acreage (actual plus diverted)	Largest of entries in Col. G, form ECR-313, for years 1939, 1940, and 1941.
13. One-half 1937 planted plus diverted acreage	Form ECR-313, one-half of entry in Col. G for year 1937

All other columns will be left blank on the tabulation for farms in group 1-B. The acreages entered in column 6 should be checked to make certain that each is less than 5.0 acres, after which columns 5 and 6 should be summarized and the totals entered in items 10 and 2, respectively, of the county cotton factor sheet. Column 13 should be summarized, the total for each page entered on the "Total" line, and the total of the page totals entered on the last page in column 13. The number of farms tabulated should be counted and the total for each page entered on the "Total" line in column 1, and the total for the county entered on the last page in the "Total" line in column 1.

B. TABULATION OF DATA FOR FARMS IN GROUP 1-A

After data for farms in group 1-B have been tabulated, data for group 1-A farms will be tabulated. Enter in the spaces provided on each form Cotton 610 of the group 1-A tabulation the page number, the name of the county and State, and the group symbol (1-A). The total 1942 county acreage allotment (less the amount withheld by the State Committee for handling omissions and corrections,

1/ The word "county" as used in this Part I means county or administrative area, as the case may be.

such amount not to exceed 1% of the 1942 county acreage allotment) will be furnished the county office by the State office and will be entered by the county office in item 1 of the county cotton factor sheet. Enter in item 3 of the county cotton factor sheet the acreage determined by deducting item 2 from item 1; if item 2 exactly equals or exceeds item 1, enter zero in item 3.

Data for farms in group 1-A will be tabulated on form Cotton 610 in accordance with the following instructions:

Column number and heading	Source of information
1. 1941 serial number	Form ECR-313
2. 1942 serial number	If renumbered for 1942, enter from form ECR-313 after form ECR-313 has been renumbered
3. Name of operator	Form ECR-313
4. Tilled acreage	Form ECR-313, Col. H
5. Tilled acreage adjusted	Form ECR-313, Col. L
6. Highest cotton acreage (actual plus diverted)	Largest of entries in Col. G of form ECR-313 for the years 1939, 1940, and 1941
13. One-half 1937 planted plus diverted acreage	Form ECR-313, one-half of entry in Col. G for year 1937

The number of 1-A farms tabulated should be counted, and the total thereof for each page entered on the "Total" line in column 1, and the total for the county entered in the space provided in item 4 of the county cotton factor sheet.

C. DETERMINATION OF RESERVE FOR 5-TO 15-ACRE ALLOTMENT FARMS

The Agricultural Adjustment Act of 1938, as amended, provides that not more than 3 percent of the county allotment (after certain deductions) shall be allotted to group 1-A farms which otherwise would receive allotments of less than 15 acres. To determine the maximum reserve for such farms, enter in item 4 of the county cotton factor sheet the result obtained by multiplying the number of group 1-A farms by 5. Enter in item 5 the result obtained by subtracting item 4 from item 3. Enter in item 6 the maximum county reserve for 5- to 15-acre farms which will be obtained by multiplying item 5 by .03. Zero will be entered in items 6 and 7 for each county for which item 3 is zero.

In recommending in item 7 a reserve for all 5- to 15-acre allotment farms the county committee should consider the number of these farms as well as the relationship of the actual plus diverted acres to the allotment based on tilled

acres for these farms. The final reserve recommended by the county committee will be entered in item 7 as the reserve for 5- to 15-acre farms.

When the tabulations on form Cotton 610 for farms in each of the groups 1-A and 1-B have been completed they should be transmitted to the State office, together with forms ECR-313 for the farms included in the tabulations and the county cotton factor sheet. The county office should not detach the carbons or copies of form Cotton 610.

D. TABULATION OF DATA FOR FARMS IN GROUP 1-C

The tabulation of data on form Cotton-610 for farms in group 1-C will not necessarily begin before January 1, 1942, by which time, in the majority of cases, arrangements for farming cotton lands in 1942 will have been made. The operators of such farms must advise the county committee in writing promptly, as soon as the intention to plant has been formed, that cotton will be planted thereon in 1942 for the first time since 1938.

The 1942 intended cotton acreage for each group 1-C farm will be entered on form ECR-313 as outlined in ECR-ADM-687.

Enter in the spaces provided on each form Cotton 610 the page number, the name of the county and State, and the group symbol 1-C. Form Cotton 610 will be filled out in accordance with the following instructions:

Column number and heading	Source of information
1. 1941 serial number	Form ECR-313
2. 1942 serial number	If renumbered for 1942, enter from form ECR-313 after form ECR-313 has been renumbered
3. Name of operator	Form ECR-313
4. Tilled acreage	Form ECR-313, Col. H
5. Tilled acreage adjusted	Form ECR-313, Col. L
6. Intended 1942 cotton acreage <u>1/</u>	Form ECR-313
8. (b) Recommended 1942 cotton acreage allotment <u>1/</u>	As recommended by the <u>community</u> committee, not to be in excess of entry in column 6
9. (b) Recommended 1942 cotton acreage allotment <u>1/</u>	As recommended by the <u>county</u> committee, not to be in excess of entry in column 6

1/ Column heading on each page of the tabulation should be changed as indicated.

In recommending a cotton acreage allotment for a farm in group 1-C, community and county committees will take into consideration and give reasonable weight to each of the following: the land, labor, and equipment available for the production of cotton; crop rotation practices; the soil and other physical factors affecting the production of cotton; and the cotton acreage allotments established for those farms in groups 1-A and 1-B that are similar with respect to the above factors. The committees should determine and recommend an acreage allotment based upon a percentage of the acreage of cotton which they find the farm is capable of growing in 1942. The acreage on the farm which is suitable for growing cotton and which is being tilled, or which has been tilled in the previous year, will reflect the several factors to be taken into consideration and will indicate the capacity of the farm for cotton production. Where the 1942 operator in the previous year operated a farm in an area where several contiguous farms were purchased by a State or Federal agency to be retired from crop production, the full final factor may be used in connection with the determination of allotments if the State Committee approves its application. The county committee will circle the 1942 serial number of each group 1-C farm for which the full factor is recommended.

The tabulation on form Cotton 610 for farms in group 1-C, together with forms ECR-313 for such farms, will be transmitted to the State office as soon as the tabulation is completed and in any event not later than February 15, 1942. If the operator of any farm advises the county committee after February 15, 1942, that cotton will be planted on his farm in 1942 for the first time since 1938, data for such farm will be listed on a supplemental 1-C tabulation but such operator will be informed that, in view of his belated notice, there is no certainty that an allotment can be made to his farm and that if any allotment is made it may be considerably less than it would be if he had given notice by February 15, 1942. No such notice will be considered if given after April 15, 1942.

Sec. 3. State office procedure for determining final farm cotton acreage allotments. When forms Cotton 610, County Cotton Factor Sheets, and forms ECR-313 are received in the State office, forms ECR-313 will be spot-checked in the State office to determine that the entries thereon have been made in accordance with the provisions of ECR-ADM-687. If necessary, any figure will be corrected by the State office by lining through the incorrect entry and entering the correct figure immediately above. If, on the basis of the spot-check, it appears necessary to check all of the forms ECR-313 for any county, such will be done.

The State office will determine that data on forms Cotton 610 have been entered correctly from forms ECR-313 and that the maximum reserve for 5- to 15-acre farms has been correctly determined. All other summarizations and computations in connection with the 1942 cotton acreage allotments (except for county office entries for the distribution of reserves and also the reapportionment of released cotton acreage if there is any acreage released for 1942) will be made in and checked by the State office.

Forms ECR-313 should be returned to the county office when they have been spot-checked or checked, as the case may be, and the entries thereon have been checked against the entries on forms Cotton 610.

A. ALLOTMENTS FOR GROUP 1-B FARMS

The State office will determine that each acreage in column 6 of form Cotton 610 is less than 5.0 acres, and will also determine that the totals of columns 5, 6, and 13 are correct and that items 2 and 10 of the county cotton factor sheet are correct. If item 3 is equal to, or greater than, item 4, the entry in column 6 will be the final cotton acreage allotment for each farm and will be transferred therefrom to column 14. If item 3 is less than item 4, the figure in column 6 will nevertheless be the final allotment and transferred to column 14, except that if the 4 percent State reserve, together with the county allotments (less the reserve held for handling omissions and corrections) for counties for which item 3 is less than item 4 is not sufficient to meet the State requirement of Section 344(g)(1) of the Agricultural Adjustment Act of 1938, as amended, final acreage allotments for 1-B and 1-A farms will be determined in accordance with section 4A hereof.

B. ALLOTMENTS FOR GROUP 1-A FARMS

Enter in column 12 of form Cotton 610 on each line the result obtained by multiplying the entry in column 4 on that line by 40 percent. Columns 4, 5, 6, 12, and 13 will be summarized, and the total of column 5 entered on the county cotton factor sheet in item 9. Items 3 through 7 of the county cotton factor sheet should then be checked to determine that they have been entered in accordance with the instructions contained in section 2. Enter in item 11 the sum of items 9 and 10.

(1) Preliminary Tilled Acreage Factors

(a) County cotton ratio. - The reserve recommended by the county committee for 5- to 15-acre farms (item 7 of the county factor sheet) will be subtracted from item 1 and the result divided by the tilled acreage adjusted for both group 1-A and 1-B farms (item 11). The decimal fraction (county cotton ratio) resulting will be carried four places beyond the decimal point and entered in item 12.

(b) First factor. - The reserve recommended by the county committee for 5- to 15-acre farms (item 7) plus the allotment to farms in group 1-B (item 2) will be subtracted from item 1 and the result divided by the tilled acreage adjusted for group 1-A farms (item 9). The decimal fraction (first factor) resulting will be carried four places beyond the decimal point and entered in item 13. Enter zero in item 13 for any county for which item 3 is zero.

(2) First Indicated Allotment

The larger of (a) the county cotton ratio (item 12) or (b) the first factor (item 13) will be entered in the heading of column 7, and will be applied to the tilled acreage adjusted, column 5, for each farm in group 1-A and the result entered in column 7. The factor entered in the heading of column 7 will also be applied to each page total of column 5 and the result entered in the box below column 7 on that page. The page total of column 7 will be compared with the entry in the box below column 7, and, if the difference between these two entries is more than may be due to rounding of fractions, the computation of the entries in column 7 and the page total of column 7 should be re-checked.

(3) Columns 8(b) and 9(b), Cotton 610

Only one entry will be made in each line in columns 8(b) and 9(b). For example, if an entry is made in line 2, column 8(b), no entry will be made in column 9(b) in that line. The entry in column 6 in each line will be compared with the entry in column 7 in that line, and one of these entries (or 5.0) transferred to either column 8(b) or 9(b) in accordance with the following instructions.

Column number and heading	Source of information
8 (b) 5-acre minimum and limited by highest cotton acreage	If the entry in column 7 is less than or is 5.0, enter 5.0 in column 8(b). If the entry in column 6 is smaller than the entry in column 7, transfer the entry in column 6 to column 8(b). For example, if the entry in column 6 is 12.6 and the entry in column 7 is 14.2, enter 12.6 in column 8(b).
9 (b) Limited by tilled acreage	If the entry in column 7 is smaller than the entry in column 6 (but not less than 5.0 acres), transfer the entry in column 7 to column 9(b). For example, if the entry in column 7 is 22.0 and the entry in column 6 is 39.2, enter 22.0 in column 9(b).

Columns 7 through 9 will be summarized and the page totals entered in the spaces provided. A county summary will be made of columns 4 through 9 by entering the totals of each page on a sheet of form Cotton 610 with the words "County Summary" entered in the space provided for the group symbol. The page numbers should be entered in column 1 and the number of farms listed on each page entered in column 3.

(4) Preliminary Second Factor

It will be necessary for the State office to compute a preliminary second factor for each county. The preliminary second factor will be determined as follows: The total of column 9(b) will be divided by the factor entered in the heading of column 7 and the result (tilled acreage adjusted for farms for which there is an entry in column 9 (b)) thus obtained divided into item 3 of the county cotton factor sheet minus the sum of (a) the reserve recommended by the county committee for 5- to 15-acre farms (item 7)

and (b) the total of column 8(b). The resulting decimal fraction (preliminary second factor) should be carried at least four places beyond the decimal point and should be entered in item 14. Enter zero in item 14 for any county for which item 3 is zero.

If the amount of the 4 percent State reserve available is not sufficient to make full allotments pursuant to Section 344(g)(1) and (2) of the Act, subsections B(5) and B(6) of this section 3 will be disregarded (pending the result of the analysis prescribed in section 4, subsection B) for counties for which

- (a) the county cotton ratio is entered in the heading of column 7 and is in excess of the preliminary second factor, or
- (b) the first factor was entered in the heading of column 7, and the county cotton ratio is less than 99.5 percent thereof but is more than the preliminary second factor, or
- (c) the first factor was entered in the heading of column 7, and the preliminary second factor is less than 90 percent thereof but is more than the county cotton ratio.

A final second factor for such counties will be determined in accordance with section 4, subsection A or B, whichever is applicable.

(5) Final Second Factor for Counties not
Sharing in 4 Percent Reserve

It will be necessary to determine a final second factor if the preliminary second factor (1) exceeds 100.5 percent of the factor entered in the heading of column 7 or (2) is less than the factor entered in the heading of column 7.

(a) If the preliminary second factor exceeds 100.5 percent of the factor entered in the heading of column 7, a final second factor will be determined as follows:

- (i) Determine the percentage which the preliminary second factor is of the factor entered in the heading of column 7. (Carry out one place beyond the decimal point.)
- (ii) The percentage obtained under (i) should be applied to each entry in column 9(b) and the amount, if any, by which the result exceeds the entry in column 6 should be entered in column 9(a).
- (iii) The percentage obtained under (i) should be divided into 5.0 to obtain the acreage breaking point for farms for which the allotment will be at least 5.0 acres when the second factor is applied.
- (iv) Multiply each entry in column 7 which is between the figure obtained under (iii) and 5.0 acres by the percentage obtained

under (i) and enter in column 8(a) the amount by which the result exceeds 5.0 acres.

(v) From the sum of (1) item 3 and (2) the total of column 9(a) subtract the sum of (1) item 7, (2) the total of column 8(a), and (3) the total of column 8(b).

(vi) Divide the amount obtained under (v) by the tilled acreage adjusted used in computing the preliminary second factor (tilled acreage adjusted for farms for which there is an entry in column 9(b)). The decimal fraction resulting will be the final second factor and should be carried four places beyond the decimal point and entered in the heading of column 10.

(b) If the preliminary second factor is less than the factor entered in the heading of column 7, a final second factor will be determined as follows:

(i) Determine the percentage which the preliminary second factor is of the factor entered in the heading of column 7. (Carry out one place beyond the decimal point.)

(ii) The percentage obtained under (i) should be applied to the entry in column 7 for each farm with an entry in column 8(b) and the amount, if any, by which the result or 5.0 acres, whichever is greater, is less than the entry in column 8(b) should be entered in column 8(a).

(iii) The percentage obtained under (i) should be divided into 5.0 to obtain the acreage breaking point for farms for which the indicated allotment will be less than 5.0 acres when the second factor is applied.

(iv) Multiply each entry in column 9(b) which is between the figure obtained under (iii) and 5.0 acres by the percentage obtained under (i) and enter in column 9(a) the amount by which the result is less than 5.0 acres.

(v) From the sum of (1) item 3 and (2) the total of column 8(a) subtract the sum of (1) item 7, (2) the total of column 9(a), and (3) the total of column 8(b).

(vi) Divide the amount obtained under (v) by the tilled acreage adjusted used in computing the preliminary second factor (tilled acreage adjusted for farms for which there is an entry in column 9(b)). The decimal fraction resulting will be the final second factor, and should be carried four places beyond the decimal point and entered in the heading of column 10.

(6) Application of Final Second Factor

If there is an entry in column 8(a) or 9(b), the factor entered in the heading of column 10 should be applied to the entry in column 5 in that line

and the result or the entry in column 6, whichever is smaller (but not less than 5.0 acres), entered in column 10. For all other lines transfer the entry in column 8(b) to column 10. The total of column 10 plus item 7 (adjusted if necessary) must equal item 3.

If it is not necessary to apply a second factor, the farm acreage allotments indicated by the first factor used will be shown in columns 8(b) and 9(b), in which case the respective entry should be transferred to column 10. The total of column 10 must equal the total of columns 8(b) and 9(b).

(7) County Committee Upward Adjustment of Group 1-A Farms

After the indicated acreage allotments for all farms have been entered in column 10 of form Cotton 610, the State office will return the tabulation for group 1-A farms to the county office so that the county committee may distribute the reserve for 5- to 15-acre farms. The State office will instruct the county committee as follows:

(a) 5- to 15-acre farms. - Each farm for which the entry in column 10 is less than 15 acres is eligible to receive an additional allotment from the 5- to 15-acre reserve, but the total allotment for any such farm cannot exceed the entry in column 6, or 15.0 acres, whichever is smaller. In making these additional allotments the county committee should enter in column 11(b) that part of the reserve which is to be added to the farm acreage allotment. The total of the entries in column 11(a) should be obtained, and if it is equal to or slightly less than the approved reserve for 5- to 15-acre farms the county office will enter in column 11(c) for such farms the sum of the entries in column 10 and the entry in column 11(b).

(8) Minimum acreage allotments

Upon receipt of the tabulation from the county office, after the reserves have been distributed, the State office will enter in column 14 the farm acreage allotment, which will be the larger of -

- (a) the entry in column 11(c) or
- (b) the entry in column 13, but not in excess of the entry in column 12.

Page totals for all columns should then be obtained and entered on the county summary in order that the total acreage allotments and the amount of acreage allotted from the 4 percent reserve may be properly accounted for.

C. ALLOTMENTS FOR GROUP 1-C FARMS

The State office should enter in column 10 the result obtained by multiplying the entry in column 5 by one-half the final factor (or the full factor as indicated in footnote 2 of the table below) used in determining allotments for group 1-A farms. In counties where the computed allotment to each 1-A farm is 5 acres or less, one-half the acreage computed for each 1-A farm will be entered in column 10 for each 1-C farm where the entry in column 9(b) is

5.0 acres or more; if the entry in column 9(b) is less than 5.0 acres, enter one-half the figure allowed a 1-3 farm with a figure in column 6 equal to the figure in column 9(b). Column 11(c) will be used to enter the indicated farm cotton acreage allotments of less than 3.0 acres and column 12 will be used to enter indicated allotments of 3.0 acres or more.

Columns 10, 11(c), and 12 will be filled out in accordance with the following instructions:

Column number and heading ^{1/}	Source of information
10. Tilled acreage adjusted times one-half final factor ^{2/}	Column 5 times one-half final factor in column 7 or column 10, whichever is applicable, of the tabulation for group 1-A farms (except as provided above) ^{2/}
11(c). Indicated 1942 farm acreage allotments of less than 3.0 acres	If the entry in column 9(b) is less than 3.0 acres, transfer such entry to column 11(c) (except as provided above)
12. Indicated 1942 farm acreage allotments of 3.0 acres or more	For farms for which an entry is not made in column 11(c), transfer the entry in column 10 or 9(b), whichever is smaller, but not less than 3.0 acres (except as provided above)

^{1/} Column headings on each page of the tabulation should be changed as indicated.

^{2/} Where the full final factor is applicable, the 1942 serial number of the farm will have been circled by the county committee.

Data for all columns should be summarized by counties for all group 1-C farms in the State before any allotments for such farms are released to counties. The State committee should review the county totals of the indicated allotments as well as the data for individual farms. If it is found that the county committee recommendations in any county have not been made on an equitable basis, as compared with county committee recommendations in other counties such committee should be instructed to review and amend its recommendations of acreage allotments for group 1-C farms. After all corrections, if any, have been made, a State summary should then be prepared. The total of column 11(c) will be added to the total of column 12 for all group 1-C farms and the result compared with the State reserve for new growers. If such sum is equal to or less than the State reserve for group 1-C farms, the allotments in columns 11(c) and 12 will be transferred to column 14 as the allotment.

If the sum of column 11(c) plus column 12 for the State exceeds the State reserve for group 1-C farms, it will be necessary to adjust the acreage

shown in columns 11(c) and 12 to eliminate the excess. Adjustments in these entries will be made as follows:

On a county cotton factor sheet for all group 1-C farms in the State enter as item 1 the State reserve for such farms. As item 2 enter the State total of column 11(c). As item 3 enter the result of item 1 minus item 2. As item 4 enter the acreage derived by multiplying by 3.0 acres the number of farms for which an entry is shown in column 12. As item 5 enter the result of item 3 minus item 4. In the space to the right of item 1 enter the State total of columns 11(c) and 12; and to the right of item 3 enter the State total of column 12.

Allotments will then be adjusted in accordance with (1) or (2) below, whichever is applicable.

(1) Where item 4 is greater than item 3

If item 4 is greater than item 3, the sum of item 2 plus item 4 should be divided into item 1 (State reserve for group 1-C farms). The resulting ratio should be carried four places beyond the decimal point and entered at the top of the county cotton factor sheet for all group 1-C farms and designated as "State Group 1-C ratio". Such ratio should then be multiplied by the entries in column 11(c) and the resulting products entered in column 13 on the respective lines. For all other group 1-C farms, enter in column 13 the result obtained by multiplying such ratio by 3.0. The entries in column 13 should then be summarized. The total of column 13 must not exceed the State reserve for new growers as shown in item 1. If the State reserve is not exceeded, the entries in column 13 will be the acreage allotments for group 1-C farms and will be transferred to column 14.

(2) Where item 4 is less than item 3

If item 4 is less than item 3, subtract item 4 from the State total of column 12 and enter the remainder to the right of item 5. Divide item 5 by the entry to the right of such item. The resulting ratio should be carried four places beyond the decimal point and entered at the top of the county cotton factor sheet for all group 1-C farms and designated as "State Group 1-C Ratio". Such ratio should then be multiplied by that part of each entry in column 12 that is in excess of 3.0 acres and to the resulting products add 3.0 and enter in column 14 on the respective line.

The entries in column 11(c) will be transferred to column 14, and the total of the adjusted acreage allotments, as entered in column 14, must not exceed item 1.

D. ACCOUNTING FOR ALL ALLOTMENTS

The State office will keep an accurate record of the county totals of all data in connection with 1942 farm cotton acreage allotments. 1942 County Cotton Analysis Sheets should be executed in triplicate for group 1-A and group 1-B farms for each county. The 1942 County Cotton Analysis Sheets for group 1-A and 1-B farms in each county will be transmitted in duplicate to the

Washington office when allotments in both groups have been finally approved by the State office. A report for group 1-C farms will be made in triplicate and two copies thereof transmitted to the Washington office when allotments have been approved for group 1-C farms.

Sec. 4. Distribution of 4-percent State reserve. The procedure for establishing allotments as set forth in sections 1 through 3 hereof will be followed in all counties not eligible to share in the 4-percent State reserve.

In States in which the 4-percent State reserve is insufficient to make full allotments pursuant to section 344(g)(1) and/or (2) of the Act, final farm acreage allotments for counties to which the instructions contained in subsections B(5) and B(6) of section 3 are not applicable will be determined in accordance with subsection A or B, whichever is applicable, of this section 4.

The 4-percent State reserve is for making allotments to counties and farms by allotting in the order named and insofar as the acreage available will permit: (a) the additional acreage to be allotted pursuant to section 344(g)(1); (b) the additional acreage to be allotted pursuant to section 344(g)(2); and (c) the additional acreage to be allotted pursuant to section 344(g)(3). However, this procedure does not provide for distribution of any of the reserve pursuant to section 344(g)(3), since it appears that no reserve will be available for such distribution.

A. PURSUANT TO SECTION 344(g)(1)

(The procedure outlined below will be used only in the event the 4-per-cent State reserve does not exceed the acreage required to make full allotments pursuant to section 344(g)(1) of the Act.)

Data for all counties in the State will be summarized as outlined in Table I.

TABLE I

County	Acreage allotment to 1-B farms (item 2, Cotton Factor Sheet)	Number 1-A farms times 5.0 acres (item 4, Cotton Factor Sheet)	Total (cols. 2 + 3)	County allotment (item 1, Cotton Factor Sheet)	Excess acreage required for full g(1) requirement (col. 4 - 5)	Column 6 adjusted to 4-percent State reserve	Percentage factor (col. 5 + col. 7 divided by col. 4)
1	2	3	4	5	6	7	8
Total							

The data necessary to execute Table I will be taken from the source indicated in the heading of each column. Entries in columns 6, 7, and 8 should be made only when the entry in column 4 is in excess of the entry in column 5. After this determination has been made for each county, the total of the entries in column 6 will exceed the 4-percent State reserve if allotments are to be made pursuant to this subsection A and it will be necessary, therefore, to reduce the entries in column 6 pro rata for all counties to the amount of the 4-percent State reserve. The resulting acreage should be entered in column 7 as the (g)(1) allotment for each county and the total of column 7 must not exceed the 4-percent State reserve.

For each county receiving an apportionment from the 4-percent State reserve, a percentage factor will be determined by dividing the sum of the entries in columns 5 and 7 by the entry in column 4 and will be entered in column 8. Such percentage factor (carried one place beyond the decimal point) will be applied to the entries in column 6, form Cotton 610, for group 1-B farms and the result entered in column 11(c), form Cotton 610. The indicated acreage allotment for all group 1-A farms in such counties will be the percentage factor times 5.0 acres and the indicated allotment will be entered in column 11(c), form Cotton 610. Final allotments for farms in these counties will be determined in accordance with subsection B(8) of section 3 hereof and allotments will be accounted for as provided in subsection D of that section.

For those counties shown in column 1 for which columns 6, 7, and 8 are not executed because column 4 did not exceed column 5, it will be necessary to compute and apply a final second factor and not use the county cotton ratio. The allotments in column 10 plus item 7 for these counties must not exceed item 3. Final allotments for farms in these counties will be determined in accordance with subsections B(7) and B(8), section 3, and allotments will be accounted for as provided in subsection D of that section.

B. PURSUANT TO SECTION 344(g)(2)

(The procedure outlined below will be used only in the event the acreage remaining in the 4-percent State reserve after making full allotments pursuant to section 344(g)(1) of the Act does not exceed the acreage required to make full allotments pursuant to section 344(g)(2) of the Act.)

(1) Determination of eligible counties

If the State reserve is not sufficient to make full allotments pursuant to section 344(g)(1) and (2), it will be necessary to limit the total of such allotments to the available reserve. The available reserve will be apportioned among eligible counties so that all counties will receive an "adjusted" second factor which is not less than a minimum percent of the county cotton ratio. As provided hereinafter, where the amount representing the county's pro rata share of the 4 percent reserve plus item 1 for the county is not more than enough to meet the (g)(1) requirement for the county, no factor will be used in computing final allotments, and, therefore, each 1-A farm in such a county will receive 5 acres as the computed allotment. The "adjusted" second factor for the county will be determined in accordance with the following procedure:

It will be necessary first to tabulate pertinent data from form Cotton 610 for all counties for which

- (a) the county cotton ratio is entered in the heading of column 7 and is in excess of the preliminary second factor; or
- (b) The first factor was entered in the heading of column 7 and the county

cotton ratio is less than 99.5 percent thereof but is larger than the preliminary second factor; or

- (c) the first factor was entered in the heading of column 7 and the preliminary second factor is less than 90 percent thereof but is larger than the county cotton ratio;

in order to determine the counties which are eligible to receive a portion of the 4-percent State reserve, pursuant to section 344(g)(2). For all counties which fall under (b) or (c) of this paragraph, it will be necessary to apply the county cotton ratio in column 10, encircling the entries which are limited by column 6 and which are raised to 5.0 acres. A revised "preliminary second factor" should then be computed in a manner similar to that outlined in subsection B(4), section 3 hereof. The additional acreage required to make full allotments pursuant to section 344(g)(1) and (2) will be determined by executing Table I and the following Table II for all counties under (a), (b), and (c) of this paragraph.

TABLE II

Column number and heading	Source of information
1. County <u>1</u> /	: Enter counties falling under (a), : (b), or (c) of this paragraph
2. Total county allotment less reserve for handling omis- sions and corrections	: Item 1, county cotton factor sheet
3. Indicated allotments for group 1-B farms	: Item 2, county cotton factor sheet
4. Recommended reserve for 5- to 15-acre farms	: Item 7, county cotton factor sheet
5. Indicated allotment for group 1-A farms	: Column 8(b) / 9(b), or column 10, : whichever is applicable, form : Cotton 610
6. Additional acreage required	: Columns 3/4/5-col. 2 (this table)
1/ Include all counties for which (a) item 12, county cotton factor sheet, has been entered in the heading of column 7 and is in excess of item 14, and (b) counties for which item 12 has been entered in the heading of column 10 as provided above.	

The total of column 6, Table II, will be the additional acreage required to make full allotments pursuant to section 344(g)(1) and (2).

Data for all counties listed in Table II will be tabulated as outlined in Table III.

TABLE III

4-percent State reserve _____

County	County cotton ratio (item 12, County Cotton Factor Sheet)	Preliminary second factor (item 14, County Cotton Factor Sheet) <u>1/</u>	Total tilled acreage adjusted on farms represented in col. 9(b) or col. 10, form Cotton 610 <u>2/</u>	Acreage available for allotment to farms represented in col. 9(b) or uncircled farms in col. 10, form Cotton 610 <u>3/</u>	Additional acreage required for g(1) allotments (column 6, Table I)
1	2	3	4	5	6
Total	xxx	xxx			

Ratio relative (col. 2 ÷ col. 3)	Trial factor (col. 2 ÷ 1.80)	Allotment on basis of trial factor (col. 4 X col. 8)	Additional allotment on basis of trial factor (col. 9 - col. 5)	Additional allotment (higher of column 6 or column 10)
7	8	9	10	11
xxx	xxx			

- 1/ If column 10, form Cotton 610, has been executed, enter the revised "preliminary second factor".
- 2/ Enter the result obtained by dividing the total of column 9(b) (or the total of column 10 minus the sum of the encircled entries therein, whichever is applicable), form Cotton 610, by the county cotton ratio in column 2.
- 3/ Item 3, form Cotton 610, minus item 7 minus column 8(b) (or the encircled entries in column 10, whichever is applicable). Enter zero for any county where item 3 is zero.

Columns 1 through 7 will be executed as indicated in the column headings for all counties for which the county cotton ratio (item 12, county cotton factor sheet) is entered in the heading of column 7 or column 10, form Cotton 610.

Column 8 will be executed for each county for which the entry in column 7 is greater than 1.80 (including all counties for which the entry in column 3 is 0) by dividing the entry in column 2 by 1.80. Columns 9, 10, and 11 will be executed as indicated for each county for which there is an entry in column 8.

Column 11 will be totaled and, if the total of column 11 is more or less than the 4-percent State reserve, additional columns will be used to determine a new trial factor. A new trial factor should be determined by reducing the divisor from 1.80 by intervals of .10 (1.70, 1.60, 1.50, etc.) until a trial factor is obtained which results in additional allotments approximately equal to but not in excess of the 4-percent State reserve. After such trial factor is obtained, a factor which results in additional allotments approximately equal to (but not in excess of) the 4-percent State reserve will be obtained by interpolation. For example, if it is found that 1.30 is the first divisor which results in additional allotments in excess of the 4-percent State reserve, such divisor will be increased by intervals of .01 (1.31, 1.32, 1.33, etc.) until a final trial factor is obtained which results in additional allotments approximately equal to (but not in excess of) the 4-percent State reserve.

Counties for which the entry in column 7, Table III, is less than the divisor used in determining the final trial factor will not share in the 4-percent State reserve. For these counties it will be necessary to compute and apply a final second factor and not use the county cotton ratio. The allotments in column 10, form Cotton 610, plus item 7 for these counties, must not exceed item 3. Final allotments for farms in these counties will be determined in accordance with subsections B(7) and B(8), section 3, and allotments will be accounted for as provided in subsection D, section 3, hereof.

(2) Distribution among eligible counties

The final trial factor (adjusted second factor) for each county for which the divisor used in determining the final trial factor is equal to or greater than such final trial factor will be entered in column 2 of the following Table IV. The distribution of the 4-percent State reserve among eligible counties will be shown in Table IV as follows:

TABLE IV

County <u>1</u> /	Adjusted prelim- inary second factor	Additional allotments (last column, Table III)	(g) (1) allotment (col. 6, Table I)	(g) (2) allotment (col. 3 - col. 4)
1	2	3	4	5
Total	xxx			

1/ Include only those counties for which the percentage in column 7, Table III, is equal to or greater than the divisor used in determining the final trial factor.

The "adjusted" preliminary second factor entered in column 2, Table IV, will be used in determining a final second factor (for the counties listed in Table IV) in accordance with the following instructions; provided that, if column 10, form Cotton 610, has been executed, the entries in columns 8(b) and 9(b) will be disregarded and the encircled entries in column 10 will be used in lieu of the entries in column 8(b).

(i) Multiply the divisor used in determining the final trial factor by 5.0 acres to obtain the acreage breaking point for entries in column 9(b), form Cotton 610, for which the allotment will be 5.0 acres or less when the second factor is applied.

(ii) Multiply each entry in column 9(b), which is between the figure obtained under (i) and 5.0 acres, by the reciprocal of the divisor used in determining the final trial factor and enter in column 9(a) the amount by which the result is less than 5.0 acres.

For example, if such divisor is 1.50, the acreage breaking point determined under (i) above would be 7.5 acres. The reciprocal of this percentage is 0.6667 ($1 \div 1.50 = 0.6667$). If the entry in column 9(b) for a farm is 6.2, enter 0.9 in column 9(a). ($5 - (6.2 \times 0.6667) = 0.9$.)

(iii) Such reciprocal should be applied to the entry in column 7, form Cotton 610, if there is an entry in column 8(b) in the same line, and the amount, if any, by which the result or 5.0 acres, whichever is greater, is less than the entry in column 8(b) should be entered in column 8(a).

For example, if the entry in column 7 for a farm is 25.0 and the entry in column 8(b) is 18.0 and the reciprocal is 0.6667, enter 1.3 in column 8(a). ($18.0 - (0.6667 \times 25.0) = 1.3$.)

(iv) From the sum of (1) item 3, (2) the total of column 8(a), and (3) the entry in column 3, Table IV, subtract the sum of (1) item 7, (2) the total of column 8(b), and (3) the total of column 9(a). 1/

(v) Divide the amount obtained under (iv) by the tilled acreage adjusted used in computing the preliminary second factor (or the revised "preliminary second factor"). The decimal fraction resulting will be the final second factor and should be carried at least four places beyond the decimal point and entered in the heading of column 10 (or column 11(a) renumbered as column 10 if column 10 has been executed), form Cotton 610.

The final second factor determined as indicated above will be applied in accordance with the instructions contained in subsection B(6), section 3 hereof, except that column 11(a) renumbered as column 10 will be used in lieu of column 10 if column 10 has already been executed. The allotments in column 10 plus item 7 for such counties must not exceed item 3 plus the entry in column 3, Table IV. Final allotments for such counties will be determined in accordance with subsections B(7) and B(8), section 3, and allotments will be accounted for as provided in subsection D, section 3, hereof.

1/ If item 2, county cotton factor sheet, exceeds item 1, the acreage under (iv) will be obtained by subtracting from the sum of (1) item 1, (2) the entry in Col. 3 of Table IV, and (3) Col. 8(a), the sum of (1) item 2, (2) the total of Col. 8(b), and (3) the total of Col. 9(a).

Sec. 5. Administrative areas.

A. DETERMINATION OF COUNTIES IN WHICH ADMINISTRATIVE AREAS MAY BE DESIGNATED

(The procedure outlined in this section 5 will be used only in the event administrative areas were not established for 1941 pursuant to section 344(f) of the Act.)

If the State and county committees determine that administrative areas may be necessary to prevent discrimination among such areas in additional counties because of different conditions, including types, kinds, and productivity of the soil, after determining such counties, the following methods may be used, together with any other available data which will serve as an indication of the need for administrative areas, in finally determining whether administrative areas will be established.

(1) Determination of ratios of 1937 base and 1937 planted acreage to cropland by communities established for 1935 under the Bankhead Act.

The tabulation outlined below should be made by communities as indicated by the letter A, B, etc., shown in the reference to a Bankhead application in section VI of the 1937 work sheet. If it is believed that the communities used in connection with the Bankhead Act in 1935 do not divide the county into different areas with respect to soil types and type of farming, the county office should segregate the 1937 work sheets into areas in which the farms are similar with respect to soil types and type of farming. The county office should tabulate the data outlined below for each community.

Column number and heading	Source of information
1. 1937 work sheet serial number	1937 work sheet
2. 1937 cropland	County office records
3. 1937 cotton base acreage	County office records
4. 1937 planted acreage	Form ECR-313
5. Ratio of 1937 cotton base to 1937 cropland	Column 3 divided by column 2
6. Ratio of 1937 planted acres of cropland	Column 4 divided by column 2

When the above tabulation has been completed in the county through column 4, the State office should compute columns 5 and 6 (weighted) for each community or area as the case may be. A comparison of these ratios may indicate that administrative areas are needed, if there is a substantial variation in ratios as between communities or areas of the county. If such ratios do not vary materially for different sections of the county, it is likely that administrative areas should not be set up.

The ratios may be plotted on a county outline map as a further aid in determining the necessity for administrative areas.

B. DETERMINATION OF ADMINISTRATIVE AREA BOUNDARY LINES

If it is determined that administrative areas are necessary for a county, a map of the county should be obtained. The boundary line of each administrative area should be outlined by the county committee on a map of the county with the aid of the community committeemen, or others, as may be necessary.

C. DETERMINATION OF COTTON ACREAGE ALLOTMENTS FOR ADMINISTRATIVE AREAS

(This procedure is to be used for determining allotments for administrative areas in all counties, including those counties for which administrative areas were established for 1941.)

When the boundary lines of the administrative areas have been determined, the county committee should make a separate tabulation on forms Cotton 610 for the farms in each area. These data should then be summarized for each area and for the county. The 1937 planted plus diverted acreage for each area divided by the total of such acreage for the county will be the percentage to be used in apportioning the 1942 county acreage allotment to each administrative area in the county except that, if the State committee determines that the use of the bases established pursuant to the 1937 Cotton Price Adjustment Payment Plan would result in more equitable distribution, such will be used instead of the 1937 planted and diverted acreage.

Allotments to the farms within each administrative area will be made by distributing the allotments for each administrative area as provided herein.

Sec. 6. Redetermination of erroneous 1942 cotton acreage allotments.

This outlines the procedure for handling cotton farms (1) which are eligible for 1942 cotton acreage allotments other than as "New farms" and which were omitted from the tabulation on form Cotton 610 or (2) for which, due to erroneous transcription of data, the 1942 cotton acreage allotment was determined erroneously; or (3) which for 1942 will be "split" into two or more tracts or will be "combined" with one or more other tracts.

For such cases, the State office should require the county office to submit form Cotton 610 marked "Change Sheet" containing in the first 20 lines the original data used in computing the allotment for 1942 in each of the executed columns through 14; and in lines 26 through 45 the correct data in each of the executed columns through column 6, and in column 13. The related data should be designated in column 3 by the same letter. Upon receipt of the "Change Sheet" the State office should compute the allotments in lines 26 through 45 of Cotton 610 on the basis of the correct data.

Totals of the original data in the first 20 lines should be entered in red as follows:

- (1) On line 21 enter the column totals of data for 1-B farms;
- (2) On line 22 enter the column totals of data for 1-A farms; and

(3) On line 23 enter the column totals of data for both 1-B and 1-A farms.

Totals of the correct data in the lines 26 through 45 will be entered in blue as follows:

(1) On line 46 enter the column totals of data for 1-B farms;

(2) On line 47 enter the column totals of data for 1-A farms; and

(3) On line 48 enter the column totals of data for both 1-B and 1-A farms.

The amounts by which the red totals on line 21 for 1-B farms exceed the blue totals on line 46 for 1-B farms should be entered in red on line 49; and the amounts by which the blue totals on line 46 for 1-B farms exceed the red totals on line 21 for 1-B farms should be entered in blue on line 49. The amounts by which the red totals on line 22 for 1-A farms exceed the blue totals on line 47 for 1-A farms should be entered in red on line 50; and the amounts by which the blue totals on line 47 for 1-A farms exceed the red totals on line 22 for 1-A farms should be entered in blue on line 50.

The amounts by which the red totals on line 49 exceed the blue totals on line 50 should be entered in red on the "Total" line. The amounts by which the blue totals on line 50 exceed the red totals on line 49 should be entered in blue on the "Total" line. If the red total on line 49 equals the blue total on line 50, zero should be entered on the "Total" line. If the total on line 49 is red and the total on line 50 also is red, the sum of such totals should be entered in red on the "Total" line. If the total on line 49 is blue and the total on line 50 also is blue, the sum of such entries will be entered in blue on the "Total" line.

In maintaining the County Summaries current, the red totals on lines 49 and 50, respectively, of the "Change Sheet" columns should be subtracted from the regular "County Summary" column totals for 1-B farms and 1-A farms, respectively, and the blue totals on lines 49 and 50, respectively, of the "Change Sheet" should be added to the regular "County Summary" column totals for 1-B farms and 1-A farms, respectively. The State Summary should also be kept current reflecting the correct column totals for 1-B and 1-A farms.

The State reserve for handling these cases may be used in the order of receipt of such cases. Each correct allotment should be computed by the State office in lines 26 through 45 of the "change sheet" on the basis of the final factor for the county (in Virginia and Kentucky, in deficit counties, by the method used for 1-B and 1-A farms).

After computing the "Change Sheet", making changes on the County Summaries, and correcting the State Summary, the State office should return the original of the "Change Sheet" to the county office with instructions to notify the farm operators of the revised allotments and to make the necessary changes or notations on form ECR-313 and the original form Cotton 610. Where 1-C farms are involved, a group 1-C "Change Sheet" will be used and the acreage gained or lost will be kept on a separate county and State record and will not be added in either blue or red totals for 1-B or 1-A farms.

Sec. 7. Apportionment of released cotton acreage allotments.

A. COUNTY OFFICE INSTRUCTIONS

(1) General

Those parts of 1942 cotton acreage allotments released by farms because they will not be used will be reapportioned to other farms in accordance with these instructions. The county committee will designate the farms within the county to which such allotments will be reapportioned, basing its designation upon the character and adaptability of the soil and other physical facilities affecting the production of cotton and the need of the operator for an additional allotment to meet the requirements of the families engaging in the production of cotton on the farm.

(2) Release of unused allotments

Before reapportioning to individual farms within the county any unused cotton acreage allotments released by other farms, it will first be necessary to obtain a full summary of all cotton acreage allotments which have been released in whole or in part by each farm. Each operator desiring to release any part or all of the cotton acreage allotment for his farm must execute a survey sheet entitled "Release of Unused 1942 Cotton Acreage Allotment", and file such form with the county office not later than the date set by the State committee, which date will not be later than April 15, 1942. The operator's signature must be witnessed and also must be verified in the county office and checked by the county committee.

As the survey sheets are received in the county office the name of the operator, serial number of the farm, and the 1942 cotton acreage allotment for the farm will be verified by checking against the appropriate entries on form Cotton 610. If any item on the survey sheet is found to be in error, the form will be returned to the operator for correction and re-execution. If the survey sheet is found to be correct, a revised notice of the cotton acreage allotment for the farm, specifically referring to the release of acreage in the survey sheet, shall be sent immediately on form Cotton 609 to the 1942 operator who signed such survey sheet.

If the acreage that will be planted to cotton in 1942 is not definitely known it will be necessary to use the acreage intended to be planted as a basis for determining the 1942 planted cotton acreage on the farm.

A county summary of the survey sheets for farms releasing 1942 cotton acreage allotments will be prepared on a columnar listing sheet in accordance with the following instructions:

TABULATION I

Column number and heading	Source of information
1. 1942 serial number	Form Cotton 610 or survey sheet
2. 1942 operator	Form Cotton 610 or survey sheet
3. 1942 cotton allotment	Form Cotton 610 or survey sheet, item 1
4. Intended planted acreage reported by operator	Item 2, survey sheet
5. Acreage available for re- lease as reported by operator	Item 3, survey sheet
6. Acreage released	The smaller of (1) the entry in column 5 or (2) the acreage obtained by subtracting the entry in column 4 from the entry in column 3
7. Revised 1942 allotment	Column 3 minus column 6

The sum of the entries in column 6 will be the total of the released cotton acreage allotments in the county.

(3) County allotment of released acreage

The unused acreage available for reapportionment will include (1) the smaller of (a) the acreage released in the county, or (b) 100 acres plus 50 per cent of the result obtained by subtracting 100 from the total unused acreage released within the county, and (2) any part of the State reserve of released allotments apportioned to the county, provided that, in any county in which the released cotton acreage available for reapportionment is less than 100 acres, the county committee may release to the State committee all or any portion of such released acreage for use as provided in B(1) of this section 7.

A county computation sheet will be prepared in triplicate for determining the amount of such acreage available for farms within the county in accordance with the following instructions:

COUNTY COMPUTATION SHEET

	Acres
1. Total county unused acreage released (column 6, tabulation I)	
2. Item 1 (if more than 100 acres) minus 100	
3. 50 percent of item 2	
4. Item 3 plus 100	
5. County unused acreage available for reapportionment (smaller of items 1 and 4)	
6. County reserve for correction of errors and for late work sheets	
7. Released acreage available for making additional allotments (item 5 minus item 6)	

COUNTY COMPUTATION SHEET (Cont'd)

	Acres
8. Released acreage allotment allocated to county from State reserve (to be filled in by State office)	
9. Total released acreage available for reapportionment (item 7 plus item 8; to be filled in by State office)	
10. Released acreage reapportioned	
	Farms
11. Number of farms releasing unused acreage allotments	
12. Number of farms receiving additional allotments	

Irrespective of the amount of acreage released, the county committee will execute items 1 through 7 of the county computation sheet and within 2 days after the closing date for accepting survey sheets transmit the original and one copy to the State office for execution of items 8 and 9. Items 10 through 12 will be executed in accordance with further instructions contained in this section 7.

The county reserve, if any, provided in item 6 will be used in accordance with the instructions contained in sections 3 and 6 hereof.

(4) Apportionment of county allotment of unused acreage released

(a) Eligible farms. - Each farm will be eligible to receive an additional allotment from the county reserve of unused acreage except the following, which will be identified by inserting a check mark (✓) immediately to the right of column 17, form Cotton 610; (1) all farms included in tabulation I, (2) all farms with an entry in column 14 in excess of the entry in column 12, form Cotton 610, and (3) group 1-C farms. All column references in the remainder of this section 7 refer to form Cotton 610 unless otherwise stated.

(b) Apportionment to eligible farms. - The county committee in reapportioning the available acreage to farms will first set aside sufficient acreage for correcting errors in farm acreage allotments, including any increase in allotments because farms have become reconstituted in 1942, as well as to provide for allotments in late cases. In reapportioning the remainder of the released acreage, if any, the county committee will consider the character and adaptability of the soil and other physical facilities affecting the production of cotton on the farm, together with the needs of the operator for an additional allotment, based upon the requirements of the families engaged in the production of cotton thereon. In most cases, the entry in column 6 is a good indication of the farm's adaptability to the production of cotton. The relation of the cotton acreage allotment shown in column 14 to the entry in column 13 reflects to some extent the need of additional cotton acreage allotment for such farm in 1942 based on the inadequacy of such allotment in view of the past acreage devoted to cotton production.

The county committee will consider farms progressively in accordance with the following conditions in reapportioning the county reserve of released acreage. In making allotments to individual farms, the committee will consider the amount of family labor available, the acreage of cash crops other than cotton grown by such families, and the adaptability of such labor for cotton production, as well as the equipment on the farm suitable for cultivating cotton.

1. Farms for which the entry in column 14 equals the entry in column 13 will receive first consideration for additional allotments. For example, if the entries in columns 14 and 13 equal 20, such farms should be given first consideration based upon the production factors in the preceding paragraph.

2. Farms for which the entry in column 14 slightly exceeds the entry in column 13 will receive consideration for additional allotments after the farms mentioned in paragraph 1 above have been considered. For example, if the entries in columns 14 and 13 are 41 and 40, respectively, such farms should be given next consideration for an additional allotment.

3. All other eligible farms will be considered progressively, in so far as the county reserve of released acreage will permit, in accordance with the percentage increase of the entry in column 14 over the entry in column 13. For example, if the entry in column 14 is 110 percent of the entry in column 13 for farm A, whereas for farm B such percentage is 115 percent, farm A should be considered before farm B.

(5) Execution of form Cotton 610 for farms releasing cotton acreage and farms receiving apportionment of such released acreage

The data for farms releasing acreage will be copied from the original forms Cotton 610 onto additional forms Cotton 610 in columns 1, 2, 3, 4, 5, and 6. The original allotment will be copied from column 14 into column 11(a); the amount of acreage released will be entered in column 11(b); and the revised allotment (11(a) minus 11(b)) entered in column 14.

The data for farms receiving released acreage will be copied from the original forms Cotton 610 onto additional forms Cotton 610 in columns 1, 2, 3, 4, 5, 6, 12, and 13. The amount of released acreage apportioned the farm will be entered in column 11(a) and the original allotment will be copied from column 14 into column 10. The revised allotment to be entered in column 14 will be determined as follows: add the entry in column 10 to the entry in column 11(a) except that such result must not exceed the entry in column 12.

A new form Cotton 609 will be executed for each farm for which the allotment is revised and the form Cotton 609 will be designated "Revised" and will be mailed to the operator of each such farm after the revised allotments have been approved by the State office.

(6) Transmittals to State office

The county office copies of form Cotton 610, together with Tabulation I and the County Computation Sheet, will be immediately transmitted to the State office

for approval if found to be correct. All such transmittals must be received in the State office not later than May 1, 1942.

B. STATE OFFICE INSTRUCTIONS

(1) Allocation to counties of State reserve of released allotments

Upon receipt of the County Computation Sheets from all counties, the State reserve consisting of the surplus released acreage not theretofore available for reapportionment within each respective county will be determined by summarizing item 3 of the County Computation Sheets.

The State committee will use such reserve, or any necessary part thereof, to supplement the State reserve originally determined to allow for increased farm allotments resulting from correction of errors, late cases, and reconstituted farms for 1942, provided the original reserve for this purpose is determined to be insufficient. The remaining part, if any, of the State reserve of released acreage will be prorated to counties for reapportionment to farms.

The proration of such State reserve to counties will be made on the basis of the acreage allotted in the county under section 344, subsection (h) of the Act, as amended by the Act of Congress approved March 13, 1939. A tabulation prepared as follows will be used in prorating the State reserve to the counties:

Column number and heading	Source of information
1. County	Include only counties that have a final factor less than 0.400
2. Allotment under subsection (h)	Cotton Analysis Sheet
3. Acreage prorated to the county	Proration factor $\frac{1}{\text{times}}$ entry in column 2
<u>1/</u> The remainder of the State reserve of released acreage divided by the total of the entries in column 2. The proration factor should be carried four places beyond the decimal point.	

The acreage determined in column 3 will be entered as item 8 on the respective County Computation Sheet. Item 9 should be determined by adding items 7 and 8. The original County Computation Sheets will then be mailed to the respective counties at a date which should be not later than two days after all such sheets have been received in the State office.

(2) Checking county office work

Upon receipt of the county office copies of forms Cotton 610, together with Tabulation I, and the final original County Computation Sheet, the State office

will check in detail the items and entries thereon, following the county office instructions of this subsection. In the event an error is found, the incorrect entry should be stricken through so as to remain legible and the correct entry inserted.

After the necessary items and entries have been carefully checked and the State office determines that the county committee has complied with the instructions, the State office will detach the copy of form Cotton 610 and return the original to the county.

C. TREATMENT OF 1942 COTTON ACREAGE ALLOTMENTS WHERE
FARMS ARE RETIRED FROM AGRICULTURAL PRODUCTION
AND (1) ARE ACQUIRED BY A STATE OR FEDERAL AGENCY,
OR (2) ARE ACQUIRED FOR USE FOR INDUSTRIAL PURPOSES
IN CONNECTION WITH NATIONAL DEFENSE

The county office will prepare and submit to the State office a listing of the farms so acquired including for each such retired farm (a) farm serial number, (b) name of owner, (c) name of operator, (d) name of each tenant and sharecropper, (e) acreage of farm land, (f) acreage of cropland, and (g) 1942 cotton acreage allotment.

Such released 1942 cotton acreage allotments (except for "new" 1942 cotton farms) will constitute a State "pool" for use by the State committee in approving county committee recommendations with respect to establishing or supplementing allotments previously determined for farms which will be operated in 1942 by cotton producers displaced subsequent to July 1, 1941, by reason of such land acquisition. Since most newly acquired farms will already have allotments, it is probable that only a portion of the released allotments will be used.

The cotton acreage released pursuant to this paragraph will not be included in the regular frozen cotton acreage pool already provided for in the foregoing part of this section; the two "pools" of released cotton acreage will not be associated in any way and this paragraph C relates only to acreage released pursuant to this paragraph C. The 1942 acreage allotments released pursuant to this paragraph by retired 1-A and 1-B farms will be available for adjusting allotments of newly acquired 1-A or 1-B farms. A newly acquired 1-C farm is not eligible to share in the acreage released by 1-A and 1-B farms. In case a 1942 1-C allotment is released it will revert to the regular State acreage allotment for new farms in 1942. The adjustment made in the allotment for a newly acquired 1-A or 1-B farm may not operate to raise it above either (1) 40% of the 1941 tilled acreage of such farm or (2) the allotment for comparable farms in the community in which it is situated. In recommending an upward adjustment for a farm, extreme care should be given to considering all factors. For instance, suppose the county factor of the county in which the newly acquired farm is located is .08 and the tilled acreage adjusted for the new farm 100 acres. The factor times the tilled acreage adjusted would result in 8.0 acres. Suppose comparable farms in the community have allotments of 15.0 acres because of the provisions of subsection (h) of the Act. If the newly acquired farm is given 15.0 acres for 1942, then in 1943 it would be necessary (under existing provisions) to cut the allotment back to 8.0 acres, assuming that the county factor and tilled acreage adjusted for the farm do not change. 1942 1-C farms operated by displaced producers will have a limitation of the full county factor rather than one-half of such factor.

The county office will prepare and transmit to the State office not later than May 1, 1942, a list of eligible farms for which upward adjustments are recommended, showing for each such farm (a) the farm serial number, (b) name of owner, (c) name of 1942 operator, (d) the cotton acreage allotment previously determined, (e) upward adjustments recommended, (f) revised 1942 allotment, (g) 1941 tilled acreage, and (h) 1941 tilled acreage adjusted, respectively, for the farm retired and the farm acquired. Upon approval of the adjustments by the State committee, the county office will notify applicable 1942 operators of such adjusted allotments.

The State office will review the data submitted by the county office with respect to allotments released for retired farms. The State office will maintain a separate State "pool" of such released allotments.

The State committee will review carefully the recommendations of the county committees and may approve such recommendations to the extent that there is released acreage available in the State "pool" for this purpose. Acreage allotments released from farms in retired areas can be used only as provided in this paragraph C. After approval, and modification if necessary, of county committee recommendations, the State "pool" will be appropriately debited and maintained current. State office records will be revised to recognize the changes of allotments that have been made.

Sec. 8. Determination of 1942 farm normal yields.

A. COUNTY OFFICE WORK

Before sending forms Cotton 610 to the State office the county committee should review the 1941 normal yields per acre established for farms. Any 1941 normal farm yield which the county committee determines does not fairly reflect the yield which could normally be expected from the farm may be adjusted. Detailed instructions for adjustments will be issued later.

In column 15(a) enter the 1936-40 weighted average yield per acre for each farm for which the letter "R" is entered in column B to the left of such figure on form ECR-313. Make no entry in column 15(a) for any other farm.

In column 15(b) enter either the 1941 farm normal yield or such yield as adjusted by the county committee. In making such adjustments the committee should carefully consider the relation existing between yields established for all farms in the county.

B. STATE OFFICE WORK

Not in excess of one pound per acre will be retained by the State committee as a reserve for handling changes. The yields in column 15(b) will be factored to meet the 1942 county normal yield. The 1942 farm normal yields will be entered in column 16 and the product of columns 14 and 16 entered in column 17.

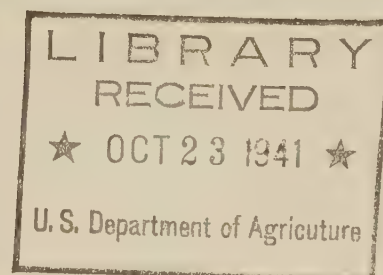
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Cotton 608 - Part I, SR

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

SOUTHERN DIVISION

INSTRUCTIONS FOR DETERMINING 1942 FARM COTTON ACREAGE ALLOTMENTS AND
NORMAL YIELDS

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Section 1. General. -

A. ELIGIBLE FARMS

A cotton acreage allotment and normal yield shall be determined for each farm on which cotton was planted during any one or more of the years 1939, 1940, and 1941, and also for farms on which cotton will be produced in 1942 for the first time since 1938 and for which an application for an allotment is made in writing within the prescribed time limit.

Cotton acreage allotments and normal yields shall be determined first for farms as constituted in 1941 and shall be redetermined for farms reconstituted in 1942 in accordance with instructions contained herein.

B. RULE OF FRACTIONS

All acreage allotments shall be expressed to the nearest tenth of an acre. All other acreages to be entered on Cotton 610, "1942 Farm Cotton Acreage Allotments, Yields, Marketing Quotas", shall also be expressed to the nearest tenth of an acre unless otherwise provided. Yields and production shall be expressed to the nearest pound. In rounding fractions to the nearest whole number, fractions of five tenths or less shall be dropped and fractions of more than five tenths (such as .51, but not .509) shall be considered a whole number. In rounding fractions to the nearest tenth, fractions of five hundredths or less shall be dropped and fractions of more than five hundredths (such as .051, but not .0509) shall be considered a whole tenth. In determining whether a fraction is five tenths or less only computed fractions in the hundredth order shall be considered; and in determining whether a fraction in five hundredths or less only computed fractions in the thousandth order shall be considered.

Section 2. County office instructions. -

A. GENERAL

All acreage and yield data to be listed on Cotton 610, "1942 Farm Cotton Acreage Allotments, Yields, and Marketing Quotas" (hereinafter referred to as Cotton 610) shall be obtained from Form SR-301, "Farm Work Sheet" (hereinafter referred to as Form SR-301). Entries in column F, Section I, Form SR-301, shall be made in accordance with the instructions contained in Part X of SRB-502, and entries in line 5, column E, and line 5, column F, table 1, Form SR-301, shall be made in accordance with the instructions contained in Section 10 hereof, prior to tabulation of data on Cotton 610.

Data for farms shall be tabulated in three separate groups; namely, (1) group 1-A, which will include data for all farms on which the highest cotton acreage (including diverted acres) in any of the three years 1939, 1940, and 1941 was 5.0 acres or more; (2) group 1-B which will include data for all farms on which the highest cotton acreage (including diverted acres) in any of the years 1939, 1940, and 1941, was less than 5.0 acres;

and (3) group C-2, which will include data for farms on which cotton will be produced in 1942 for the first time since 1938. (Farms classified in group C-2 in 1941 and on which cotton was produced in 1941 shall be included in the applicable group 1-A or 1-B in 1942. Farms classified in group 1-A or 1-B in 1941, but on which no cotton has been planted since 1938, will be included in group C-2 in 1942 if otherwise eligible for an allotment in 1942).

The tabulation shall be prepared on Cotton 610 as follows:

B. TABULATION OF DATA FOR FARMS IN GROUP 1-B

All data for group 1-B farms shall be tabulated first. Enter in the spaces provided on each Cotton 610 the page number, the name of the county ^{1/} and State, and the group symbol (1-B). Columns 1 through 6 shall be filled out in accordance with the following instructions:

Column number and heading	:	Source of information
1. 1941 serial number	:	Form SR-301
2. 1942 serial number	:	Form SR-301, if renumbered for 1942
3. Name of operator	:	Form SR-301
4. Cropland	:	Line 1, column F, Section I, Form SR-301
5. Tilled acreage adjusted	:	Line 2, column F, Section I, Form SR-301
6. Maximum farm acreage allotment ^{1/}	:	Largest of entries in lines 3, 4, and 5, column E, table 1, Form SR-301

^{1/} Column heading on each page of the tabulation shall be changed as indicated

All other columns shall be left blank on the tabulation for farms in group 1-B. The acreages entered in column 6 shall be checked to make certain that each is less than 5.0 acres, after which columns 5 and 6 shall be summarized and the county totals entered on Form 42-SR-6C in accordance with instructions in subsection D of this section 2. The

^{1/} The word "county" as used herein means county, parish, or administrative area, if any.

number of farms on each page shall be ascertained and entered in column 1. The total number of farms in the county shall be entered on the summary page .

C. TABULATION OF DATA FOR FARMS IN GROUP 1-A

After data for farms in group 1-B have been tabulated, data for all group 1-A farms shall be tabulated. Enter in the spaces provided on each Cotton 610 the page number, the name of the county and State, and the group symbol (1-A).

Data for farms in group 1-A shall be tabulated on Cotton 610 in accordance with the following instructions:

Column number and heading	:	Source of information
1. 1941 serial number	:	Form SR-301
2. 1942 serial number	:	Form SR-301, if renumbered for 1942
3. Name of operator	:	Form SR-301
4. Cropland	:	Line 1, column F, Section I, Form SR-301
5. Tilled acreage adjusted	:	Line 2, column F, Section I, Form SR-301
6. Highest cotton acreage (Actual plus diverted)	:	Largest of entries in lines 3, 4, and 5, column E, table 1, Form SR-301
13. One-half 1937 planted plus diverted acreage	:	Line 1, column F, table 1, Form SR-301

The number of farms on each page shall be ascertained and entered in column 1 for such page. The total number of farms for the county shall be entered on the last page below column 1.

D. PREPARATION OF FORM SR-42-6C

Form SR-42-6C, "County Data, Computation and Summary Sheet of Cotton Allotments", (hereinafter referred to as Form 6C), will be furnished by the State office with the 1942 county allotment data entered in items 1 through 4. The county office shall make entries only in items 5 through 11 and item 13 of Form 6C. Such entries shall be made as follows:

(1) Enter in item 5 the county total of column 6, Cotton 610, for group 1-B farms.

(2) Enter in item 6 the number of farms listed on Cotton 610 for group 1-B farms.

(3) Enter in item 7 the acreage obtained by subtracting item 5 from item 4. Enter zero when item 5 exceeds item 4.

(4) Enter in item 8 the total number of farms listed on Cotton 610 for group 1-A farms.

(5) Enter in item 9 the number of acres obtained by multiplying the entry in item 8 by 5.

(6) Enter in item 10 the maximum reserve for 5- to 15-acre-allotment farms determined by multiplying item 1 minus item 5 minus 9 by .03. Enter zero if item 9 exceeds item 1 minus item 5.

(7) Enter in item 11 the reserve recommended by the county committee in accordance with instructions in subsection E below.

(8) Enter in item 13 the total of column 5 for group 1-B farms.

E. DETERMINATION OF RESERVE FOR 5- TO 15-ACRE ALLOTMENT FARMS

The Agricultural Adjustment Act of 1938, as amended, provides that not more than 3 percent of the county allotment (after certain deductions) shall be allotted to farms in group 1-A which otherwise would receive allotments of not more than 5 acres. The maximum allotment available in the county for this purpose is the acreage in item 10 of Form 6C.

In recommending a reserve for 5- to 15-acre farms the county committee shall take into consideration the number of these farms as well as the relationship of the actual plus diverted acres to the allotment based on tilled acres for these farms. The reserve recommended by the county committee in item 11, Form 6C shall generally be not less than 20 percent nor more than 80 percent of item 10.

F. TABULATION OF DATA FOR FARMS IN GROUP C-2

The tabulation of data for farms in group C-2 will not begin before January 1, 1942, by which time, in the majority of cases, arrangements will have been made for producing cotton in 1942. The operator of each such farm must advise the county committee promptly, as soon as the intention to plant has been formed, that cotton will be produced thereon in 1942 for the first time since 1938 and make application in writing on Form Cotton 609-C within the prescribed time limit for a specified

cotton acreage allotment for the farm. The requested 1942 cotton acreage allotment for each group C-2 farm shall be entered and designated above the word "Cotton", table 1, Form SR-301.

In the cases of new farms (that is farms not operated at all in 1941, and on which cotton will be produced in 1942 for the first time since 1938) and of farms operated in 1941 but for which measurements are not available, the county committee shall determine the tilled acreage and the tilled acreage adjusted. Such determination shall be based upon the operator's report (adjusted by the county committee, if necessary) of the acreage of crops to be planted on the farm in 1942. Both Forms SR-301 and SR-512 shall be used for this purpose and shall be identified by the expression "New Farm" entered immediately to the left of the State and county code and serial number.

In determining the acreage of tilled land for group C-2 farms, the county committee may include any acreage planted to crops in the fall of 1941 and which was not classified as tilled acreage on the performance report.

Enter in the spaces provided on each Cotton 610 the page number, the name of the county and State, and the group symbol (C-2). Cotton 610 shall be filled out in accordance with the following instructions.

Column number and heading	Source of information
1. 1941 serial number	Form SR-301
2. 1942 serial number	Form SR-301, if renumbered for 1942
3. Name of operator	Form SR-301
4. Cropland	Line 1, column F, Section I, Form SR-301
5. Tilled acreage adjusted	Line 2, column F, Section I, Form SR-301
6. Requested 1942 cotton acreage allotment <u>1/</u>	Above table 1, Form SR-301
8 (b). Recommended 1942 acreage allotment <u>1/</u>	As recommended by the community committee but not in excess of column 6
9(b). Recommended 1942 acreage allotment <u>1/</u>	As recommended by the county committee but not in excess of column 6
<u>1/</u> Column heading on each page of the tabulation shall be changed as indicated.	

In recommending a cotton acreage allotment for farms in group C-2 community and county committees shall take into consideration and give reasonable weight to each of the following: the land, labor, and equipment available for the production of cotton; crop rotation practices; the soil and other physical factors affecting the production of cotton; and the cotton acreage allotments determined for similar farms in group 1-B and not more than 50 percent of the allotments for similar farms in group 1-A. The acreage on the farm suitable for growing cotton which is being tilled, or has been tilled in the previous year, will reflect the several factors to be taken into consideration and will form the basic index of the farm's capacity for cotton production.

If the operator of any farm advises the county committee after February 1, 1942, but prior to the prescribed time limit approved by the State committee, that cotton will be produced on his farm in 1942 for the first time since 1938, data for such farm shall be listed on a supplemental tabulation but such operator shall be informed that in view of his belated notice, there is no certainty that an allotment can be made to his farm and that if any allotment is made it may be considerably less than it would have been if he had given notice by February 1, 1942. Such supplemental tabulation for group C-2 farms shall be transmitted to the State office on the first of each month.

G. DETERMINATION OF FARM NORMAL YIELDS OF COTTON FOR ALL FARMS

(1) General

A normal yield of cotton shall be determined for each farm for which a 1942 cotton acreage allotment is determined.

If reliable records of the actual yield for each year are presented by the farmer or are available to the committee, the normal cotton yield shall be the actual average yield of cotton per acre for the five years 1936-1940, inclusive, adjusted for abnormal weather conditions.

If for any year of such five-year period records of the actual yield are not available or there was no cotton planted on the farm in such year, the normal yield for the farm shall be the yield which the county committee determines on the basis of the yields customarily made on the farm, taking into consideration weather conditions, type of soil, drainage, production practices, and general fertility of the land to be the yield which was or could reasonably have been expected on the farm for such five-year period.

The distribution of the 1942 preliminary farm yields shall conform with the approved 1941 distribution determined for the county in Section I, Form SR-530, unless a revised distribution is determined and approved in

accordance with the instructions in Part X, SRB-602. Such approved distributions are based on the distributions of 1936-1940 unadjusted average yields, or a more representative period if the 1936-1940 yields did not reflect a proper distribution of yields.

(2) Committee recommendations for groups 1-A and 1-B farms

The 1942 farm normal yields for groups 1-A and 1-B farms shall be determined as follows:

(a) Approval of 1941 final farm yields for 1942. - If the county committee, with the approval of the State office, determines that the 1941 approved farm normal yields are representative for all of the respective farms in the county, such yields shall be approved as the 1942 normal yields provided that the approved 1941 and 1942 county normal yields are the same. The county committee may make a small number of minor revisions from the 1941 approved farm normal yields for 1942 provided that the average of such revised yields for 1942 does not exceed the average of the approved 1941 normal yields for such farms. The number of revisions must be held to a minimum or it will be necessary to follow the applicable instructions below.

Where this procedure is followed the approved 1942 yield in line 8, column I, table 1, Form SR-301, or the final revised yield, when applicable, shall be entered in line 9 of such column, leaving line 9 of column H blank. Also it will only be necessary to fill out column 16 of Cotton 610, disregarding column 15 and it will not be necessary to factor farm yields in such counties.

(b) Approval of 1941 preliminary farm yields for 1942. - If the county committee, with the approval of the State office, determines that the 1941 preliminary normal cotton yields are representative for all of the respective farms in the county, or only a small number of revisions in 1941 yields are made, and the procedure in (a) above is not followed, such yields may be approved as the 1942 preliminary normal yields for such farms. Careful consideration should be given to individual farm yields approved for 1941 to determine that the 1941 preliminary yields are equitable. If the 1941 preliminary yields are recommended for 1942, the entry in line 8, column H, SR-301, shall be transferred to line 9, column H, of such form, disregarding any further instructions contained in this subsection G (2). Such preliminary yields shall be entered in column 15, Cotton 610, in accordance with subsection G (4) of this section.

(c) Revisions in 1941 preliminary farm yields for 1942. - If it is determined that in order to obtain more representative yields for 1942 revisions should be made from the 1941 preliminary

yields or a revised distribution of preliminary farm yields is approved for 1942 for the county, the 1942 preliminary farm yields shall be determined on the basis of the yields customarily made on the farm, taking into consideration weather conditions, type of soil, drainage, production practices and general fertility of the land. The preliminary yields shall be determined and entered in line 9, column H, Form SR-301, as follows:

Group 1 farms. - The yield to be entered in line 9, column H, Form SR-301, for group 1 farms shall be the entry in line 8, column G, unless the county committee determines that an upward adjustment is necessary because of unfavorable weather conditions affecting the yield of cotton on the farm in one or more years during the period 1936-1940. An abnormally low yield for any year will be reflected in the respective line in column D, but the committee through its knowledge of local weather conditions during the respective years shall determine whether such low yields resulted because of unfavorable weather conditions. If it is determined that an upward adjustment is necessary, such adjustment shall be made on the basis of the factors outlined above and the adjusted yield entered in line 9, column H. If no upward adjustment is made, enter in line 9, column H, the entry in line 8, column G.

Group 2 farms. - The yields in column D for group 2 farms are computed on the basis of accurate acreage measurements and reasonably good reports of production for each year of the period, with the possible exception of the 1936 production in line 3, column B. If the 1936 production for any farm has not been adjusted, it shall be adjusted, if necessary, in accordance with such instructions.

If the committees believe that the yield in line 8, column G, is below the normal yield for the farm, they shall make their upward adjustment in line 9, column H, based upon the factors outlined above. No downward adjustment in yields shall be made for group 2 farms.

If the committees determine that the yield in line 8, column G, should not be adjusted upward, the yield in line 8, column G, shall be transferred to line 9, column H.

Group 3 farms. - The committees shall appraise a normal yield for each group 3 farm on the basis of the yields customarily secured on the farm, as indicated by the yield(s) shown in column D for any year(s), taking into consideration weather conditions, type of soil, drainage, production practices, and general fertility of the land. The appraised normal yield for any farm shall compare

with the yields recommended for groups 1 and 2 farms and with the yields appraised for other group 3 farms in the same community which are similar with respect to such factors. The appraised yield for the farm shall be entered in line 9, column H.

Since the preliminary normal yield for each farm in the county is determined on the basis of the data for such farm, the weighted average yield for all farms in the county will be adjusted to the county normal yield by the State office by making a pro rata adjustment of the preliminary yields as provided in section 3 hereof. Therefore, the committees shall not adjust individual farm yields in any group in order that the weighted average of the preliminary yields will equal the normal yield established for the county.

After preliminary yields have been entered in line 9, column H, Form SR-301, for all cotton farms in the county, Form SR-530 shall be prepared as provided in (3) below. If further adjustments are required upon examination of Form SR-530, the committees shall make the required adjustments in the preliminary yields in line 9, column H.

(d) Pro rata adjustments in preliminary yields. - The final yields for all farms will be determined by the State office by making a pro rata adjustment in the preliminary yields in order that the weighted average yield for all farms in the county shall conform to the approved county normal yield, except that the final yield for group 1 farms will not be less than the yield shown in line 8, column G. After yields have been approved by the State office they shall be entered in line 9, column I, table 1, Form SR-301, in accordance with the instructions in section 10, hereof.

(3) Preparation of Form SR-530, Sections II through IV

If revisions from the 1941 preliminary yields for 1942 are made by the committee, sections II through IV of Form SR-530 shall be prepared in triplicate in the county office in accordance with the following instructions.

(a) An item count shall be made of the number of groups 1, 2, and 3 farms in each yield range, and the number of farms shall be entered in the appropriate line in columns 2, 4, and 6, respectively.

(b) The total number of farms in each range, as shown in columns 2, 4, and 6 shall be entered in column 8.

(c) Enter in the line designated "Total" the totals of columns 2, 4, 6, and 8. The total of column 8 must equal the sum of the totals of columns 2, 4, and 6.

The item counts for each group may be best made by setting up a tally sheet showing the same yield ranges as Form SR-530.

After Form SR-530 has been prepared, the number of farms in each yield range shall be compared with the approved number for such range on Form SR-530. If found correct, the county committee shall indicate its approval in the spaces provided and the original copy of Form SR-530 shall then be transmitted to the State office for review and approval. When the county office has been notified that the distribution of yields for the county has been approved by the State office, the preliminary yields shall be entered in column 15, Cotton 610, in accordance with subsection G (4) of this section.

(4) Execution of column 15, Cotton 610

The entry in line 9, column H, Form SR-301, shall be transferred to the appropriate line in column 15 (b), Cotton 610. For group 1 farms only the yield in line 8, column G, shall be entered in column 15 (a), Cotton 610, on the appropriate line.

(5) Recommendations of county committee for group C-2 farms

When the county committee recommends allotments for group C-2 farms, it shall also recommend a normal yield for each of such farms taking into consideration all available facts including type of soil, drainage, production practices, and general fertility of the land. Such preliminary yields shall be entered in the appropriate lines of column 15 (b), Cotton 610. The average of the normal yields recommended for group C-2 farms weighted by the final acreage allotments shall not exceed the 1942 approved county normal yield or a yield less than the county normal yield if approved by the State committee.

H. TRANSMITTAL TO STATE OFFICE

After acreage data and preliminary farm yields have been listed on Cotton 610 for groups 1-A and 1-B farms as provided in this section 2, the members of the county committee shall indicate its approval of such data by entering its signature and the date in the spaces provided on each page of the tabulations for groups 1-A and 1-B farms. After data for allotments have been tabulated on Cotton 610 and the necessary computations have been made, the State office field representative shall review Cotton 610 to determine that the entries have been correctly transcribed from Forms SR-301. After his approval has been obtained, Cotton 610 and Form 6C shall be transmitted to the State office for final determination of farm allotments and yields.

After acreage data and preliminary normal yields have been listed on Cotton 610 for group C-2 farms, the members of the county committee shall indicate its approval of such data by entering its signature and the date

in the spaces provided on each page of the tabulation for group C-2 farms. The tabulation for group C-2 farms shall be transmitted to the State office as soon as the tabulation is completed, but in no event later than February 1, 1942.

Section 3. State office procedure for determining final farm cotton acreage allotments and yields. - When Cotton 610 and Form 6C are received in the State office, all the basic data necessary for determining 1942 cotton acreage allotments and normal yields will have been entered on the listing sheet. The State office shall determine that the maximum reserve for 5- to 15-acre farms has been correctly determined on Form 6C.

A. ALLOTMENTS FOR GROUP 1-B FARMS

The State office shall determine that each acreage in column 6, Cotton 610 is less than 5.0 acres and shall also determine that the totals of columns 4, 5, and 6 are correct and correctly entered in the appropriate items on Form 6C. If item 7 of Form 6C is equal to or greater than item 9, the entry in column 6 will be the final cotton acreage allotment for each farm and shall be transferred to column 14.

B. ALLOTMENTS FOR GROUP 1-A FARMS

Enter in column 12 on each line the result obtained by multiplying the entry in column 4 on that line by 40 percent. Columns 4, 5, 6, and 13, Cotton 610, shall then be summarized. The entries in items 5 and 13, Form 6C shall be checked with the totals of columns 6 and 5, Cotton 610, respectively, for group 1-B farms.

Items 2, 3, 4, 14, and 15 of Form 6C shall then be determined as follows: Enter in item 2 the acreage, if any, for the county in column 6 or 7, table VI, section 4 C hereof. Enter in item 3 the acreage, if any, for the county in column 12 or 13, table VII, section 4 C hereof. Enter in item 4 the sum of the entries in items 1, 2, and 3. If no entries are made in items 2 and 3 transfer the entry in item 1 to item 4. Enter in item 14 the county total of column 5, Cotton 610, for group 1-A farms. Enter in item 15 the sum of items 13 and 14.

(1) Preliminary tilled acreage factors. - The county cotton factors necessary in apportioning the county allotment to farms shall be determined on Form 6C as follows:

(a) County cotton ratio. - Enter in item 16 the result obtained by dividing item 4 minus item 11 by item 15. The decimal fraction resulting is the county cotton ratio and shall be carried at least four places beyond the decimal point.

(b) First factor. - Enter in item 17 the result obtained by dividing item 7 minus item 11 by item 14. The decimal fraction resulting is the first county factor and shall be carried at least four places beyond the decimal point. Enter in item 18, 99.5 percent of the entry in item 17.

(2) First indicated allotment. - The larger of (a) the county cotton ratio (item 16) or (b) 99.5 percent of the first factor (item 18) shall be entered in the heading of column 7 and shall be applied to the tilled acreage adjusted, column 5, for each farm in group 1-A and the result entered in column 7. The factor entered in the heading of column 7 shall also be applied to each page total of column 5 and the result entered in the box below column 7 on that page. Each page total of column 7 shall be compared with the entry in the box below column 7 and if the difference between these two entries is more than 1 or 2 acres, the computation of the entries in column 7 and the page total of column 7 shall be rechecked.

(3) Columns 8 (b) and 9 (b), Cotton 610. - There will be only one acreage entered in each line in columns 8 (b) and 9 (b). For example, if an acreage is entered in line 2, column 8 (b), no entry will be made in column 9 (b) in that line. The entry in column 6 in each line shall be compared with the entry in column 7 in that line and one of these entries (or 5.0) transferred to either column 8 (b) or 9 (b) in accordance with the following instructions.

Column number and heading	:	Source of information
8 (b). 5-acre minimum and limited by highest cotton acreage	:	If the entry in column 7 is less than 5.0, enter 5.0 in column 8 (b). If the entry in column 6 is smaller than the entry in column 7, transfer the entry in column 6 to column 8 (b). For example, if the entry in column 6 is 12.6 and the entry in column 7 is 14.2, enter 12.6 in column 8 (b).
9 (b). Limited by tilled acreage	:	If the entry in column 7 is smaller than the entry in column 6 (but not less than 5.0 acres), transfer the entry in column 7 to column 9 (b). For example, if the entry in column 7 is 22.0 and the entry in column 6 is 39.2, enter 22.0 in column 9 (b).

Columns 7 through 9 shall be summarized and the page totals entered in the spaces provided. A county summary shall be made of columns 4 through 9 by entering the totals of each page on a Cotton 610 with the words "County Summary" entered in the space provided for the group symbol. The page numbers shall be entered in column 1 and the number of farms listed on each page entered in column 3.

(4) Preliminary second factor. - It will be necessary for the State office to compute a preliminary second factor for each county. The preliminary second factor shall be determined on Form 6C as follows:

Enter as item 19, Form 6C, the county total of column 8 (b) for group 1-A farms. Enter as item 20 the county total of column 9 (b) for group 1-A farms. Enter as item 21 the estimated tilled acreage adjusted for group 1-A farms obtained by dividing the entry in item 20 by item 16 or 18, whichever is entered in the heading of column 7, Cotton 610. Enter as item 22 the result of item 7 minus item 11 minus item 19. Enter as item 23 the result obtained by dividing item 22 by item 21. The resulting decimal fraction is the preliminary second factor and shall be carried at least 4 places beyond the decimal point.

If the amount of the 4 percent State reserve is not sufficient to make full allotments pursuant to Section 344 (g) (1) and (2) of the Act, subsections B (5) and B (6) of this section 3 shall be disregarded for counties for which (a) the county cotton ratio is entered in the heading of column 7 and is in excess of the preliminary second factor (item 23) and (b) the county cotton ratio would be entered in the heading of column 10, in accordance with the instructions in paragraphs (c) and (d) of subsection B (5) of this section 3. A final second factor for such counties shall be determined in accordance with section 4, subsection A or B, whichever is applicable.

(5) Final second factor. - It will be necessary to determine a final second factor if (1) the entry in item 24, Form 6C, exceeds 100.5 percent or (2) the entry in item 24 is less than 99.5 percent and the county cotton ratio is less than 99.5 percent of the factor entered in the heading of column 7.

(a) If the entry in item 24 is between 100.6 percent and 110.0 percent, inclusive, the preliminary second factor in item 23, Form 6C, will be the final second factor and will be entered in the heading of column 10.

(b) If the entry in item 24 is more than 110.0, a final second factor shall be determined as follows:

(i) The percentage in item 24, Form 6C, shall be applied to each entry in column 9 (b) and the amount, if any, by which the result exceeds the entry in column 6 shall be entered in column 9 (a). Enter as item 26 of Form 6C the total of column 9 (a).

(ii) The percentage in item 24 shall be divided into 5.0 to obtain the acreage breaking point for farms for which the allotment will be at least 5.0 acres when the second factor is applied.

(iii) Multiply each entry in column 7 which is between the figure obtained under (ii) and 5.0 acres by the percentage in item 24 and enter in column 8 (a) the amount by which the result exceeds 5.0 acres. Enter as item 25 of Form 6C the total of column 8 (a).

(iv) Enter as item 27 the fraction resulting by dividing the sum of item 22 and item 26 minus item 25 by item 21. The resulting decimal fraction is the final second factor and shall be carried at least four places beyond the decimal point and entered in the heading of column 10.

(c) If the entry in item 24 is less than 99.5 percent and the county cotton ratio is less than 99.5 percent of the entry in the heading of column 7, the larger of item 16, Form 6C, or item 23 will be the final second factor and will be entered in the heading of column 10 (except as provided in (d) below).

(d) If item 24 is less than 90.0 percent and is greater than item 16, Form 6C, a final second factor shall be determined as follows:

(i) The percentage in item 24 shall be applied to the entry in column 7 for each farm with an entry in column 8 (b) and the amount, if any, by which the result or 5.0 acres, whichever is greater, is less than the entry in column 8 (b) shall be entered in column 8 (a). Enter as item 25 of Form 6C the county total of column 8 (a).

(ii) The percentage in item 24 shall be divided into 5.0 to obtain the acreage breaking point for farms for which the indicated allotment will be less than 5.0 acres when the second factor is applied.

(iii) Multiply each entry in column 9 (b) which is between the figure obtained under (ii) and 5.0 acres by the percentage in item 24 and enter in column 9 (a) the amount by which the result is less than 5.0 acres. Enter as item 26 of Form 6C the county total of column 9 (a).

(iv) Enter in item 28 the fraction resulting by dividing the sum of item 22 and item 25 minus item 26 by item 21. The larger of (1) item 16 or (2) item 28 is the final second factor and shall be entered in the heading of column 10.

(6) Application of final second factor. - If there is an entry in column 8 (a) or 9 (b), the factor entered in the heading of column 10 shall be applied to the entry in column 5 in that line and the result or the entry in column 6, whichever is smaller (but not less than 5.0 acres), entered in column 10. For all other lines transfer the entry in column 8 (b) to column 10.

If it is not necessary to apply a second factor, the farm acreage allotments indicated by the first factor will be shown in columns 8 (b) and 9 (b), in which case the respective entry shall be transferred to column 10. The total of column 10 must equal in such cases the total of columns 8 (b) and 9 (b).

In all cases, if the total of column 10 plus item 11, Form 6C, except where the county cotton ratio is used in accordance with paragraphs (c) or (d) of subsection B (5) above, does not equal item 7, it will be necessary to adjust the acreage in item 11 so that such sum equals item 7. The adjusted acreage shall be entered in item 11 (a) and shall be obtained by subtracting the total of column 10 for group 1-A farms from item 7 for such counties but shall not be less than zero nor more than the acreage in item 10.

Where the county cotton ratio was used in determining allotments in column 7 or in column 10 the acreage by which the total of column 10 plus item 11 exceeds item 7 is the acreage apportioned pursuant to Section 344 (g) (1) and (2) of the Act.

(7) County committee upward adjustment of group 1-A farms. - After the indicated acreage allotments for all farms have been entered in column 10 of Cotton 610, the State office shall return the tabulation for group 1-A farms to the county office and notify the county committee of the reserves in items 11 (a) and 12, Form 6C, so that the county committee may distribute the reserve for 5- to 15-acre farms and the reserve, if any, for farms with indicated allotments of 15 acres or more. The State office should instruct the county committee as follows.

(a) 5- to 15-acre farms. - Each farm for which the entry in column 10 is less than 15 acres is eligible to receive an additional allotment from the 5- to 15-acre reserve, but the total allotment for any such farms cannot exceed the entry in column 6, or 15.0 acres, whichever is smaller. In making additional allotments to farms from the 5- to 15-acre reserve consideration shall be given to the land, labor, and equipment available for the production of cotton; crop rotation practices; the soil and other physical factors affecting the production of cotton, and the cotton allotments determined for similar farms in the community. In making these additional allotments the county committee shall enter in column 11 (a) that part of the reserve which is to be added to the farm acreage allotment. The total of the entries in column 11 (a) shall be obtained, and shall equal to or be slightly less than the approved reserve for 5- to 15-acre farms.

(b) Farms with indicated allotments of 15 acres or more (and all group 1-A farms in counties for which 80 percent of the maximum reserve for 5- to 15-acre farms is less than 100 acres). - If the county has received an additional allotment from the 4 percent State reserve, each farm with an entry in column 10 (plus the entry in 11 (a)), if any, of 15 acres or more (or each farm in group 1-A in any county for which 80 percent of the maximum reserve for 5- to 15-acre farms is less than 100 acres) is eligible to receive an additional allotment, but the total allotment for any such farm cannot exceed the entry in column 6, or the entry in column 12, whichever is smaller. In making these additional allotments the county committee shall enter in column 11 (b) that part of the reserve which is to be added to the indicated farm acreage allotment. Such increases should be made only to farms receiving allotments which are inadequate and not representative in view of past production of cotton on the farm.

Those farms receiving allotments which represent the smallest percent of the average acreage of cotton on the farm in the past should be considered first and other farms thereafter in the order of the inadequacy of the indicated allotments. For example, three farms - A, B, and C - each has an entry in column 6, Cotton 610, of 50 acres. Farm A has received an indicated allotment of 20 acres; farm B, an indicated allotment of 25 acres; and farm C, an indicated allotment of 30 acres. Farm A would be entitled to consideration before either farm B or C in distributing the acreage under this paragraph, and farm B would be entitled to consideration after farm A but before an additional allotment is made to farm C. Additional allotments under this paragraph should be made only to farms for which the indicated allotment represents an acreage substantially less than that which is considered to be adequate as compared to the usual acreage on the farm.

The total of the entries in column 11 (b) for farms receiving additional allotments from such additional acreage shall be obtained and shall be equal to or be slightly less than the reserve in item 12, Form 6C, for the county.

(c) Review of the county committee's distribution of the acreage reserves and the execution of column 11 (c). - Upon receipt of the Cotton 610 from the county office after the reserves have been distributed, the State office shall determine that the additional allotments under subsections (7) (a) and (b) above are equitably made. If it is determined that the reserves have not been allotted so as to result in comparable allotments with similar farms on the basis of the relationships of recommended cotton allotments to cropland or to the highest planted plus diverted cotton acreage shown in column 6, the State office shall return Form 610 to the county office with instructions to reapportion such reserves.

When the State office approves the distributions of the respective reserves, it shall enter in column 11 (c) the sum of the entries in columns 10, 11 (a) and 11 (b). The county total of column 11 (c) must not exceed the sum of the county totals of columns 10, 11 (a) and 11 (b).

(8) Minimum acreage allotments. - When the distribution of the reserves has been approved in accordance with subsection 7, the State office shall enter in column 14 the farm acreage allotment, which will be the larger of -

- (a) the entry in column 11 (c), or
- (b) the entry in column 13 but not in excess of the entry in column 12.

Page totals for all columns shall then be obtained and entered on the county summary in order that the total acreage allotments and the amount of acreage allotted from the 4-percent reserve may be properly accounted for.

(9) Completion of Form 6C. - Items 29 through 41 shall be determined as follows.

Transfer item 4 to item 29; enter as item 30 the total of column 10, Cotton 610 for group 1-A farms. Enter as item 31 the sum of items 5, 11 (a), and 30. Enter as item 32 the acreage resulting from subtracting item 29 from item 31. Enter as item 33 the sum of items 2, 3, and 12. Enter as item 34 the sum of items 32 and 33. Enter as item 35 the county total of column 11 (c), Cotton 610, for group 1-A farms. Enter as item 36 the county total of column 14, Cotton 610, for group 1-A farms. Enter as

item 37 the acreage resulting from subtracting item 35 from item 36. Leave items 36 (a) and (b) blank. Enter as item 38 the sum of items 36 and 5. Enter as item 39 in the indicated spaces, county totals of column 4, Cotton 610, for groups 1-A and 1-B farms. Enter as item 40 in the indicated spaces county totals of column 6, Cotton 610, for groups 1-A and 1-B farms. Enter as item 41 in the indicated spaces county totals of column 13, Cotton 610, for groups 1-A and 1-B farms.

After all items have been completed on Form 6C, the indicated members of the State office shall enter their signatures and the date in the spaces provided. A copy of Form 6C shall be transmitted to the Southern Division in accordance with instructions in subsection E below.

C. ALLOTMENTS FOR GROUP C-2 FARMS

(1) First indicated allotments. - The State office shall enter in column 10, Cotton 610, the result obtained by multiplying the entry in column 5 by 50 percent of the final factor used in determining allotments for group 1-A farms. Column 11 (b) shall be used to enter the indicated farm cotton acreage allotments of less than 3.0 acres and column 12 shall be used to enter indicated allotments of 3.0 acres or more.

Columns 10, 11 (b), and 12 shall be filled out in accordance with the following instructions.

Column number and heading <u>1/</u>	Source of information
10. Tilled acreage adjusted times 50 percent of <u>final</u> factor	: Column 5 times 50 percent of final factor in heading of column 7 or column 10, whichever is applicable, of the tabulation for group 1-A farms
11(b). Indicated 1941 farm acreage allotments of less than 3.0 acres	: If the entry in column 9 (b) is less than 3.0 acres, transfer such entry to column 11 (b)
12. Indicated 1941 farm acreage allotments of 3.0 acres or more	: For farms for which an entry is not made in column 11 (b), transfer the entry in column 9 (b) or 10, whichever is smaller, but not less than 3.0 acres, to column 12

1/ Column headings on each page of the tabulation should be changed as indicated.

In counties in which there are no group 1-A farms, not more than 50 percent (a smaller percentage may be approved by the State committee) of the final county cotton factor for the nearest county with similar conditions with respect to cotton production shall be used for this purpose.

(2) State office review and adjustments of group C-2 allotments for individual counties. - Data for all columns shall be summarized by counties for all group C-2 farms in the State before any allotments for such farms are released to counties. The State committee shall review the county totals of the indicated allotments as well as the data for individual farms. If it is found that the county committee recommendations in any county have not been on an equitable basis, as compared with county committee recommendations in other counties, such committee shall be instructed to review its recommendations of acreage allotments for group C-2 farms.

(3) State summary and final approval of group C-2 allotments. - After group C-2 allotments have been reviewed and approved a State summary shall be prepared by crop reporting districts. The total of column 11 (c) shall be added to the total of column 12 for all group C-2 farms and the result compared with the State reserve for new growers. If such sum is equal to or less than the State reserve for group C-2 farms, the allotment in columns 11 (c) and 12 shall be transferred to column 14 and approved as final allotments.

(a) Adjustments of allotments to the State reserve.- If the sum of column 11 (c) plus column 12 for the State exceeds the State reserve for group C-2 farms, it will be necessary to adjust the acreage shown in columns 11 (c) and 12 to eliminate the excess. Adjustments in these entries shall be made as follows.

At the top of the State summary for group C-2 farms enter as item 1 the State reserve for group C-2 farms. As item 2 enter the State total of column 11 (c). As item 3 enter the result of item 1 minus item 2. As item 4 enter the acreage derived by multiplying by 3.0 acres the number of farms for which an entry is shown in column 12. As item 5 enter the result of item 3 minus item 4. In the space to the right of item 1 enter the State total of columns 11 (c) and 12 and to the right of item 3 enter the State total of column 12.

Allotments shall then be adjusted in accordance with (i) or (ii) below, whichever is applicable.

(i) Item 4 greater than item 3. - If item 4 is greater than item 3, the sum of item 2 and item 4 shall be divided into item 1 (State reserve for group C-2 farms). The resulting ratio should be carried at least three places beyond the decimal point and entered at the top of the listing sheet under the word "Group" and designated as "State Group C-2 Ratio". The entries in column 11 (c) shall be multiplied by such ratio and the resulting products entered in column 14 on the respective lines. For all other group C-2 farms enter in column 14 the result obtained by multiplying 3.0 by such ratio. The entries in column 14 shall be summarized. The total of column 14 must not exceed the State reserve for new growers as shown in item 1. If the State reserve is not exceeded, the entries in column 14 will be the acreage allotments for group C-2 farms.

(ii) Item 4 less than item 3. - If item 4 is less than item 3, subtract item 4 from the State total of column 12 and enter the remainder to the right of item 5. Divide item 5 by the entry to the right of such item. The resulting ratio shall be carried at least three places beyond the decimal point and entered at the top of the listing sheet under the word "Group" and designated as "State Group C-2 Ratio". That part of each entry in column 12 which is in excess of 3.0 acres shall be multiplied by such ratio and to the resulting product add 3.0 and enter in column 14 on the respective line.

The entries in column 11 (c) shall be transferred to column 14, and the total of the adjusted acreage allotments, as entered in column 14 must not exceed the State reserve for new growers as shown in item 1.

(4) Allotments for late group C-2 farms. - If, after allotments have been determined as indicated above, applications for allotments are filed for other group C-2 farms, allotments for such late farms shall be determined in accordance with the applicable procedure above.

D. ACCOUNTING FOR ALL ALLOTMENTS

The State office shall keep an accurate record of the county totals of all data in connection with 1942 cotton acreage allotments for groups 1-A and 1-B farms on Form 6C, and for group C-2 farms on Form 42-SR-7, "County Summary and Approval of Group C-2 Farm Cotton Acreage Allotments." Form 6C shall be transmitted to the Southern Division for each county as soon as allotments in both groups have been finally approved by the State office.

Two reports on Form 42-SR-7 shall be prepared and transmitted to the Southern Division as follows: (1) summary of farm data as soon as first allotments have been approved for group C-2 farms; and (2) summary of farm data for group C-2 farms as of June 1, 1942.

E. DETERMINATION OF FINAL FARM NORMAL YIELDS

(1) Review of Form SR-530. - (Applicable only in counties where 1942 farm yields have been revised from 1941 yields. This procedure will not be applicable where yields are revised for only a small percent of farms in the county.) Upon receipt of Form SR-530 from the counties in which the 1942 farm normal yields are revised from the 1941 preliminary yields the State office shall enter the percentage distributions in columns 3, 5, 7, and 9 and shall review the distribution of preliminary yields and the number of farms in each group. If the distribution of the preliminary yields does not agree with the approved distribution for the county in Section I, Form SR-530, or the grouping of farms indicates that the preliminary yields have not been determined in accordance with the provisions of the 1942 program, the State office shall instruct the county office of the required changes. In such case another Form SR-530 shall be prepared after such change has been made and shall be submitted for approval as indicated above. If such grouping and distribution are found acceptable by the State office, the person reviewing the data shall enter his signature and the date in the spaces provided. Form SR-530 shall be returned to the county office with instructions to complete the tabulation of preliminary yields on Cotton 610, as provided in subsection H of section 2 hereof. When yields have been approved a copy of Form SR-530 for the applicable counties shall be transmitted to the Southern Division.

(2) Review of individual preliminary farm yields. - If on reviewing the determination of preliminary farm yields the State office finds that such preliminary yields on the basis of the factors to be considered in this connection have been incorrectly established, the State office should advise the county committee to reconsider the yields for such farms. The State committee may approve maximum upward and downward adjustments in individual farm yields based on the annual yields shown on Form SR-301 unless it can be substantiated on the basis of other factors considered in establishing farm yields that the annual yields do not reflect the normal yield for the farm.

(3) Columns 15 (b), 16, and 17, Cotton 610.-

(a) Column 15 (b). - A cumulative total of the production extensions obtained by multiplying the final acreage allotments in column 14 by the preliminary yields in column 15 (b) for each page shall be entered at the bottom of column 15. The county

total of such extensions shall be obtained by summarizing the page totals at the bottom of column 15 and shall be entered at the bottom of column 15 below the last page total. A county subtotal of the production extensions for group 1 farms for which the entry in column 15 (a) equals the entry in column 15 (b) shall be obtained and entered and encircled in the margin at the bottom of column 8 below the county total on the last page.

(b) Column 16. - If the weighted average of the preliminary yields shown in column 15 (b), Cotton 610, exceeds or is more than approximately one pound less than the county normal yield, it will be necessary to make a pro rata adjustment of all yields in column 15 (b), except those for group 1 farms for which the entry in column 15 (b) equals the entry in column 15 (a). The weighted average of the preliminary yields in column 15 (b) shall be determined by dividing the county total of the production extensions by the total of the final acreage allotments in column 14. If such average yield does not exceed the approved county normal yield and is not more than approximately one pound less than the county normal yield, the yields in column 15 (b) shall be approved as final; in which case the amount, if any, by which such average yield is less than the normal yield multiplied by the total of the final acreage allotments in column 14 shall constitute a county production reserve for use in correcting errors.

If such average yield does not come within the above-mentioned limits, a yield adjustment factor shall be obtained as follows:

(i) Deduct the encircled county subtotals of the production extensions from the county total of such extensions.

(ii) A county production reserve shall be determined by the State office with the approval of the State committee. Such reserve shall be the amount which it is estimated is sufficient to provide for the correction of errors, which generally will be approximately one pound times the total of the final acreage allotments in column 14. Deduct the sum of (1) the county production reserve and (2) the encircled county subtotal of the production extensions from the product obtained by multiplying the total of the final acreage allotments in column 14 by the approved 1941 county normal yield.

(iii) Compute the yield adjustment factor by dividing item (ii) by item (i) and enter the result, carried at least four places beyond the decimal point, in the heading of column 16. (If the yield adjustment factor exceeds 1.000, it shall be recomputed in accordance with the above steps except that in steps (i) and (ii) the county total of the production extensions shall be used rather than the difference in the total production extensions and the subtotal of the production extensions.)

Enter in column 16 the yield obtained by multiplying the yield in column 15 (b) by the county yield adjustment factor; but no yield will be entered less than the yield, if any, in column 15 (a).

(c) Column 17. - The 1942 normal production of the farm acreage allotment for each farm, which shall be determined by multiplying the yield in column 16 by the acreage allotment in column 14, shall be entered in column 17. The total production for each page shall be determined and entered in the space provided. The total production for the county shall be determined by summarizing the page totals and shall be entered in the margin below the last page total of column 17.

Determine the weighted average of the yields entered in column 16 by dividing the county total of the production in column 17 by the total of the final acreage allotments in column 14. If such weighted average yield does not exceed the approved county normal yield and is not more than approximately one pound less than such county normal yield, the production resulting from the difference between the normal yield for the county and the weighted average of the yields in column 16 multiplied by the total of the final acreage allotments in column 14 shall be the county production reserve for use in correcting errors.

(4) Approval of normal yields for 1942 group C-2 farms. - For most counties the approved yield limit for group C-2 farms should be less than the approved 1942 county normal yield. The State committee should approve a yield limit for group C-2 farms less than the approved county normal yield for such counties. In approving a yield limit for group C-2 farms less than the county normal yield, the relation of actual yields secured on group C-2 farms to the average county yield during previous years should be considered. When the final cotton acreage allotments have been determined for group C-2 farms in accordance with instructions in subsection C of this section 3, a county total of production extensions shall be obtained by multiplying the yields in column 15 by the respective acreage allotments in column 14. If the average yield obtained by dividing the county total of the production extensions by the county total of column 14 for group C-2 farms does not exceed the approved 1942 county

yield limit for group C-2 farms the recommended yields in column 15 shall be approved as final and entered in column 16. If the average of the yields in column 15 exceeds the approved county yield limit for group C-2 farms, the entries in column 15 shall be reduced pro rata so as not to exceed such approved limit and entered in column 16 for the respective farms. Enter in column 17 for each farm the product resulting from multiplying the entry in column 15 by the respective entry in column 16.

F. TRANSMITTAL TO COUNTY OFFICE

When acreage allotments and normal yields for groups 1-A and 1-B farms have been approved by the State office, the State office shall detach the original copy of Cotton 610 and return to the county office and instruct the county committee to notify operators of their 1942 farm cotton acreage allotments and normal yields on Form 42-SR-81 in accordance with the applicable instructions. The carbon copies shall be filed in the State office.

As soon as acreage allotments and normal yields have been approved by the State office for group C-2 farms, the preceding instructions shall be followed in returning Cotton 610 to the county office and notifying operators of the 1942 cotton acreage allotments and normal yields.

Section 4. Distribution of 4-percent State reserve. - The procedure for establishing allotments as set forth in sections 1 through 3 hereof shall be followed in all States where the 4-percent State reserve is sufficient to make full allotments pursuant to Section 344 (g) (1) and (2) of the Agricultural Adjustment Act of 1938, as amended, since allotments determined in accordance with such procedure automatically include allotments provided for in Section 344 (g) (1) and (2) of the Act. In such States subsections A and B of this section 4 shall be disregarded. Any necessary acreage of the 4-percent State reserve remaining after making full allotments pursuant to Section 344 (g) (1) and (2) may be used to increase allotments pursuant to Section 344 (g) (3) as provided in subsection C of this section 4.

In States in which the 4-percent State reserve is insufficient to make full allotments to Section 344 (g) (1) or (2), final farm acreage allotments for counties to which the instructions contained in subsections B (5) and B (6) of section 3 are not applicable will be determined in accordance with subsection A or B, whichever is applicable, of this section 4. Subsection C of this section 4 shall be disregarded in such States.

The 4-percent State reserve is to be allotted to counties and farms by allotting in the order named and insofar as the acreage available will permit (a) the additional acreage to be allotted pursuant to

Section 344 (g) (1); (b) the additional acreage to be allotted pursuant to Section 344 (g) (2); and (c) the additional acreage to be allotted pursuant to Section 344 (g) (3).

A. PURSUANT TO SECTION 344 (g) (1)

(The procedure outlined below will be used only in the event the 4-percent State reserve does not exceed the acreage required to make full allotments pursuant to Section 344 (g) (1) of the Act.)

Data for all counties in the State not receiving allotments in accordance with the instructions contained in section 3 hereof shall be summarized by crop-reporting districts as outlined in Table I.

TABLE I

County	: Acreage :Number :		: Total	: Adjusted :		: Column 6	: Percent-
	: allotment:	: of 1-A :		: county	: acre-		
	: to	: farms :		: allot-	: age re-	: adjusted	: age factor
	: 1-B	: times :		: ment	: quired	: to 4-per-	: (col. 5 /
	: farms	: 5.0 :	(cols.	: (item 4,	: for full	: cent State	: col. 7
	: (item 5,	: acres :	2 / 3)	: Form	: exemption	: reserve	: divided by
	: Form	: (item :		: 6C)	: (col. 4		: col. 4)
	: 6C)	: 9, :			: - 5)		
	:	: Form 6C):			:		
1	2	3	4	5	6	7	8
:	:	:	:	:	:	:	:
:	:	:	:	:	:	:	:
:	:	:	:	:	:	:	:
Total	:	:	:	:	:	:	:

The data necessary to execute Table 1 shall be taken from the source indicated in the heading of each column. Entries in columns 6, 7, and 8 shall be made only when the entry in column 4 is in excess of the entry in column 5. After this determination has been made for each county, the total of the entries in column 6 will exceed the 4-percent State reserve if allotments are to be made pursuant to this subsection A and it will be necessary, therefore, to reduce the entries in column 6 pro rata for all counties to the amount of the 4-percent State reserve. The resulting acreage shall be entered in column 7 as the (g) (1) allotment for each county and the total of column 7 must equal the 4-percent State reserve.

For each county receiving an apportionment from the 4-percent State reserve a percentage factor shall be determined by dividing the sum of the entries in columns 5 and 7 by the entry in column 4 and shall be entered in column 8. Such percentage factor (carried one place beyond

the decimal point) shall be applied to the acreage allotments shown in column 6, Cotton 610, for group 1-B farms and the result entered in column 14, Cotton 610, as the final acreage allotment for the farm. The indicated acreage allotment for all group 1-A farms in such counties will be 5.0 times the percentage factor, and the indicated allotment shall be entered in column 11 (c) of Cotton 610. Final allotments for farms in these counties will be determined in accordance with subsection B (8) of section 3 hereof, and allotments will be accounted for as provided in subsection D of that section.

For those counties shown in column 1 for which columns 6, 7, and 8 are not executed because column 4 did not exceed column 5, it will be necessary to compute and apply a final second factor and not use the county cotton ratio. The total of the allotments in column 10, Cotton 610, plus item 11, adjusted, if necessary, as will be indicated in item 11 (a), Form 6C, for these counties must not exceed item 7, Form 6C. Final allotments for farms in these counties will be determined in accordance with subsections B (7) and B (8), section 3, and allotments will be accounted for as provided in subsection D of that section.

B. PURSUANT TO SECTION 344 (g) (2)

(The procedure outlined below will be used only in the event the acreage remaining in the 4-percent State reserve after making full allotments pursuant to Section 344 (g) (1) of the Act does not exceed the acreage required to make full allotments pursuant to Section 344 (g) (2) of the Act.)

(1) Determination of eligible counties

If the State reserve is not sufficient to make full allotments, pursuant to Section 344 (g) (1) and (2), it will be necessary to limit the total of such allotments to the available reserve. The available reserve shall be apportioned among eligible counties so that all counties will receive an adjusted second factor which is not less than a minimum percent of the county cotton ratio. The adjusted second factor for the county shall be determined in accordance with the following procedure.

It will be necessary first to tabulate pertinent data from Cotton 610 for all counties not receiving allotments under Section 3 in order to determine the counties which are eligible to receive a portion of the 4-percent State reserve pursuant to Section 344 (g) (2). For all counties which would have fallen under paragraph (c) or (d), subsection B (5) of section 3, for which the entry in the heading of column 10 would be the county cotton ratio, it will be necessary to apply the county cotton ratio in column 10 encircling the entries which are limited by column 6 and which are raised to 5.0 acres. A revised "preliminary second factor" should then be computed in a manner similar to that outlined in subsection B (4), section 3, hereof.

The additional acreage required to make full allotments pursuant to Section 344 (g) (1) and (2) will be determined by executing Table I and the following Table II for all counties which have not received allotments under section 3.

TABLE II

Column number and heading	Source of information
1. County <u>1/</u>	: Enter counties not receiving : allotments under section 3 hereof
2. Total adjusted county allotment	: Item 4, Form 6C
3. Indicated allotments for group 1-B farms	: Item 5, Form 6C
4. Recommended reserve for 5- to 15-acre farms	: Item 11, Form 6C
5. Indicated allotments for group 1-A farms	: Item 19, plus item 20, Form 6C
6. Additional acreage required	: Columns 3 / 4 / 5 - column 2
<hr/>	
<u>1/</u> Include all counties for which (a) item 16, Form 6C, has been entered in the heading of column 7 and is in excess of item 23, and (b) counties for which item 16 has been entered in the heading of column 10, Cotton 610, as provided above.	

The total of column 6, Table II, will be the additional acreage required to make full allotments pursuant to Section 344 (g) (1) and (2).

Data for all counties not receiving allotments under section 3 hereof shall be tabulated by crop-reporting districts as outlined in Table III.

TABLE III

Item 1. _____

	:	:	:	:	:	:
	:	:	:	:	:	:
	:	:	:	:	:	:
	:	:	:	:	:	:
County	:	:	:	:	:	:
	:	:	:	:	:	:
	:	:	:	:	:	:
	:	:	:	:	:	:
	:	:	:	:	:	:
	:	:	:	:	:	:
	:	:	:	:	:	:
1	:	:	:	:	:	:
	:	:	:	:	:	:
	:	:	:	:	:	:
	:	:	:	:	:	:
Total	:	:	:	:	:	:

	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
Ratio	:	:	:	:	:
relative	:	:	:	:	:
(col. 2 ÷ col. 3)	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
7	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
xxx	:	:	:	:	:

- 1/ If column 10, Cotton 610, has been executed enter the revised "preliminary second factor".
- 2/ Enter the result obtained by dividing the total of column 9 (b) (or column 10 minus the sum of the encircled entries, whichever is applicable), Cotton 610, by the entry in column 2.
- 3/ Item 7 minus item 11 minus item 19, Form 6C (or the encircled entries in column 10, Cotton 610, whichever is applicable).

Enter in item 1 at the top of Table III the amount of the 4 percent State reserve.

Columns 1 through 7 shall be executed as indicated in the column headings for all counties for which the county cotton ratio (item 16, Form 6C) is entered in the heading of column 7 or column 10, Cotton 610, in accordance with the instructions in section 3 hereof.

Column 8 of Table III shall be executed for each county for which the entry in column 7 is greater than 1.80 (including all counties for which the entry in column 3 is 0) by dividing the entry in column 2 by 1.80. Columns 9, 10, and 11 shall be executed as indicated for each county for which there is an entry in column 8.

Column 11 shall be totaled and if the total of column 11 is less than item 1, Table III, additional columns shall be used to determine a new trial factor. A new trial factor should be determined by reducing the divisor from 1.80 by intervals of .10 (1.70, 1.60, 1.50, etc.) until a trial factor is obtained which results in additional allotments in excess of item 1. After such trial factor is obtained, a factor which results in additional allotments approximately equal to (but not in excess of) item 1 shall be obtained by interpolation. For example, if it is found that 1.30 is the first divisor which results in additional allotments in excess of item 1, such divisor shall be increased by intervals of .01 (1.31, 1.32, 1.33, etc.) until a final trial factor is obtained which results in additional allotments approximately equal to (but not in excess of) item 1.

Counties for which the entry in column 7, Table III, is less than the divisor used in determining the final trial factor shall not share in the 4-percent State reserve. For these counties it will be necessary to compute and apply a final second factor and not use the county cotton ratio. The allotments in column 10, Cotton 610, plus item 11, adjusted, if necessary, as will be indicated in item 11 (a), Form 6C, for these counties will be determined in accordance with subsections B (7) and B (8), section 3, and allotments will be accounted for as provided in subsection D, section 3, hereof.

(2) Distribution among eligible counties

The final trial factor for each county for which the divisor used in determining the final factor is equal to or greater than such final factor shall be entered in column 2 of the following Table IV. The distribution of the 4-percent State reserve among eligible counties shall be shown in Table IV as follows:

TABLE IV

County	<u>1/</u>	: Adjusted : prelim- : inary : second : factor	: Additional : allotments : (last column : Table III)	: (g) (1) : allotment : (column 6, : Table I)	: (g) (2) : allotment : (column 3 - : column 4)
1		2	3	4	5
Total		xxx			

1/ Include only those counties for which the percentage in column 7, Table III, is equal to or greater than the divisor used in determining the final trial factor.

The adjusted preliminary second factor entered in column 2, Table IV, shall be used in determining a final second factor for the counties listed in Table IV in accordance with the following instructions: provided, that, if column 10, Cotton 610, has been executed, the entries in columns 8 (b) and 9 (b) shall be disregarded and the unencircled entries in column 10 shall be used in lieu of the entries in column 8 (b).

(a) Multiply the divisor used in determining the final trial factor by 5.0 acres to obtain the acreage breaking point for entries in column 9 (b), Cotton 610, for which the allotment will be 5.0 acres or less when the second factor is applied.

(b) Multiply each entry in column 9 (b), Cotton 610, which is between the figure obtained under (a) and 5.0 acres by the reciprocal of the divisor used in determining the final trial factor and enter in column 9 (a) the amount by which the result is less than 5.0 acres.

For example, if such divisor is 1.50, the acreage breaking point determined under (a) above would be 7.5 acres. The reciprocal of this percentage is 0.6667 ($1 \div 1.50 = 0.6667$). If the entry in column 9 (b) for a farm is 6.2, enter 0.9 in column 9 (a). $\sqrt{5} - (6.2 \times 0.6667) = 0.97$

(c) Such reciprocal shall be applied to the entry in column 7, Cotton 610, if there is any entry in column 8 (b) in the same line and the amount, if any, by which the result is less than the entry in column 8 (b) shall be entered in column 8 (a).

For example, if the entry in column 7 for a farm is 25.0 and the entry in column 8 (b) is 18.0 and the reciprocal is 0.6667, enter 1.3 in column 8 (a). $\sqrt{18.0 - (0.6667 \times 25.0)} = 1.37$

(d) From the sum of (1) item 7, Form 6C, (2) the total of column 8 (a), and (3) the entry in column 3, Table IV, subtract the sum of (1) item 11, Form 6C, (2) the total of column 8 (b), and (3) the total of column 9 (a). 1/

(e) Divide the amount obtained under (d) above by the tilled acreage adjusted used in computing the preliminary second factor (or the revised "preliminary second factor"). The decimal fraction resulting will be the final second factor and should be carried at least four places beyond the decimal point and entered in the heading of column 10 (or column 11 (c) if column 10 has been executed), Cotton 610.

The final second factor determined as indicated above shall be applied in accordance with the instructions contained in subsection B (6), section 3 hereof, except that column 11 (c) will be used in lieu of column 10 if column 10 has already been executed. The allotments in column 10 or 11 (c), whichever is applicable, plus item 11, adjusted, if necessary, as will be indicated in item 11 (a), for such counties must not exceed item 7 plus the entry in column 3, Table IV. Final allotments for such counties will be determined in accordance with subsections B (7) and B (8), section 3, and allotments will be accounted for as provided in subsection D, section 3 hereof.

C. PURSUANT TO SECTION 344 (g) (3)

(The procedure outlined below will be used only in the event the 4-percent State reserve exceeds the acreage required to make full allotments pursuant to Section 344 (g) (1) and (2) of the Act.)

After allotments have been made in accordance with subsections A and B above, or after the acreage necessary to make such allotments has been estimated from the acreage allotted, under Section 344 (g) (1) and (2) of the Act, in 1941, the remainder of such reserve, if any, shall be used pursuant to Section 344 (g) (3) to make additional allotments (1) to farms receiving indicated allotments which are determined in accordance with the instructions contained in paragraph (7) (b), subsection B, section 3 hereof to be inadequate and not representative in view of past production on the farms; (2) to counties for which the 1942 cotton acreage

1/ If item 5, Form 6C, exceeds item 4, the acreage under (d) shall be obtained by subtracting the sum of (1) item 5, (2) the total of column 8 (b), and (3) the total of column 9 (a) from the sum of (1) item 4, (2) the entry in column 3, Table IV, and (3) the total of column 8 (a).

allotments were reduced from the 1940 allotments because of an increase in the national cotton yield for the five-year period required by the Act for determining State acreage allotments; and (3) to counties in which the 1942 cotton acreage allotments for farms have been substantially reduced because of new farms coming into cotton production in 1938, 1939, 1940, and 1941.

If an estimate is made as to the acreage required under Section 344 (g) (1) and (2) of the Act in 1942, such estimate shall be closely and carefully made and based on not less than the acreage used for such purpose in 1941, taking into consideration any trend in the amount of such acreage used in previous years.

The part of the 4-percent State reserve remaining after allotments have been made in accordance with subsections A and B above shall be apportioned among counties, insofar as such remaining reserve will permit, as follows:

- (1) Reserves for correction of errors and adjustments in allotments for farms with indicated allotments of 15 acres or more

Fifty percent of the acreage remaining in the 4-percent State reserve after allotments have been made pursuant to section 344 (g) (1) and (2) of the Act, less

- (a) that portion of such acreage which the State committee determines is necessary for use in correcting errors and for providing allotments for farms not included in the original tabulations;

- (b) in States where any county allotments for 1942 are smaller than for 1940 (after allotments have been apportioned in accordance with the provisions of subsection C (2) of this section) and the State committee determines that an additional adjustment for abnormal weather conditions and trends should be made, that portion of such acreage which the State committee determines is necessary for such adjustments; and

- (c) in States where the amount of the 4-percent State reserve available for adjustments under subsection C (3) of this section 4 is insufficient to make full adjustments to minimize reductions in farm allotments because of previous group C-2 farms, that portion of such acreage determined by the State committee to be used for such adjustments

shall be allotted (i) to farms receiving an indicated allotment of 15 acres or more in counties in which the final factor for 1941 is less than 40

percent^{1/}; (ii) to farms receiving indicated allotments of 15 acres or more in any county in which the State committee determines that allotments as otherwise determined are inadequate and not representative in view of past production; and (iii) to any farm for which the allotment as otherwise determined is inadequate and not representative in view of past production in counties for which the maximum reserve for 5- to 15-acre farms is less than 100 acres. In States where an acreage is allotted under (b) and (c) of this paragraph such acreage shall be included in the county allotment and apportioned to farms on the basis of the county factor in accordance with the regular procedure, but any acreage allotted under item (c) shall not be used to increase the final county cotton factor above 40 percent. Any apportionment under item (b) or (c) of this paragraph must be approved by the Director of the Southern Division.

The acreage allotted under (i) above for any State shall not be less than 50 percent of the total acreage to be allotted under (i), (ii), and (iii) and may include the total of such acreage.

If in any State the acreage available for allotment under (i), (ii), and (iii) above is not more than 5,000 acres and the State committee determines that the procedure for distributing the acreage under (i) above will not result in equitable allotments, the State committee may determine the procedure to be used in apportioning all of such acreage to counties provided that the formula used by the State committee in making such apportionment must be approved by the Director of the Southern Division prior to such apportionment.

If in any State the acreage available for allotment under (i), (ii), and (iii) above is more than 5,000 acres and the State committee determines that the procedure for distributing the acreage under (i) above will not result in equitable allotments, the State committee may determine the procedure to be used in apportioning not in excess of one-half of the total acreage under (i), (ii), and (iii) above to counties, provided that the formula used by the State committee in making the apportionment is fair and equitable to all counties in the State and is approved by the Director of the Southern Division prior to such apportionment. If the

^{1/} The final factor for this purpose only may be estimated from 1941 data if necessary. This estimate may be made by dividing the 1942 county allotment by the 1941 county allotment and multiplying the resulting percentage by the final factor used in 1941. Attention should be given those counties in which a relatively large acreage was allotted to new growers in 1941, since such farms will receive allotments for 1942 from the regular county allotment, thus causing a possible decrease in the county factor. For this purpose the 1941 county factor should be revised for counties where large new-grower allotments were made by including the tilled acreage adjusted on 1941 group C-2 farms.

acreage available for allotments in accordance with (3) below is insufficient to make the maximum allotments provided for under such instructions, the State committee should include in its procedure provisions whereby counties in which a large number of new farms have come into cotton production in 1938, 1939, 1940, and 1941 would be given preference in the apportionment of such part of the reserve.

The acreage under (i) above shall be allotted to counties receiving final factors for 1942 of less than 40 percent 1/ and the amount to be apportioned each county shall be determined in accordance with Table V.

TABLE V

1. 50 percent of (g) (3) acreage _____ 2. Reserve for correction of errors _____

Column number and heading	Source of information																						
1. County	: Enter the name of each county for : which the final factor is less than : 40 percent <u>1/</u>																						
2. Estimated final factor	: <u>1/</u>																						
3. Weight factor	: Enter the applicable percentage as : follows: : <table border="1"> <tr> <th>Column 2</th><th>Column 3 (percent)</th></tr> <tr> <td>: Less than 0.31</td><td>100</td></tr> <tr> <td>: 0.31 - 0.3199</td><td>90</td></tr> <tr> <td>: .32 - .3299</td><td>80</td></tr> <tr> <td>: .33 - .3399</td><td>70</td></tr> <tr> <td>: .34 - .3499</td><td>60</td></tr> <tr> <td>: .35 - .3599</td><td>50</td></tr> <tr> <td>: .36 - .3699</td><td>40</td></tr> <tr> <td>: .37 - .3799</td><td>30</td></tr> <tr> <td>: .38 - .3899</td><td>20</td></tr> <tr> <td>: .39 - .3999</td><td>10</td></tr> </table>	Column 2	Column 3 (percent)	: Less than 0.31	100	: 0.31 - 0.3199	90	: .32 - .3299	80	: .33 - .3399	70	: .34 - .3499	60	: .35 - .3599	50	: .36 - .3699	40	: .37 - .3799	30	: .38 - .3899	20	: .39 - .3999	10
Column 2	Column 3 (percent)																						
: Less than 0.31	100																						
: 0.31 - 0.3199	90																						
: .32 - .3299	80																						
: .33 - .3399	70																						
: .34 - .3499	60																						
: .35 - .3599	50																						
: .36 - .3699	40																						
: .37 - .3799	30																						
: .38 - .3899	20																						
: .39 - .3999	10																						

1/ The final factor for this purpose only may be estimated from 1941 data if necessary. This estimate may be made by dividing the 1942 county allotment by the 1941 county allotment and multiplying the resulting percentage by the final factor used in 1941. Attention should be given those counties in which a relatively large acreage was allotted to new growers in 1941, since such farms will receive allotments for 1942 from the regular county allotment, thus causing a possible decrease in the county factor. For this purpose the 1941 county factor should be revised for counties where large new-grower allotments were made by including the tilled acreage adjusted on 1941 group C-2 farms.

4. 1942 county cotton allotment	:	Item 4, Form 6C
	:	
5. Extension	:	Column 3 times column 4
	:	
6. Additional allotment	:	Column 5 times ratio (available
	:	reserve for this apportionment
	:	divided by the total of column 5)
	:	

As indicated in the heading of column 3, a weight factor will be determined for each county. For example, if the final factor for a county is 0.3564 the entry for column 3 would be 50 percent. The factor to be used in obtaining column 6 will be obtained by dividing that portion of the acreage which is to be allotted in accordance with Table V to counties having factors of less than 40 percent by the total of column 5.

The county reserve determined under these instructions shall be entered in item 12, Form 6C, and shall be furnished to the county office before adjustments in farm allotments have been made in accordance with paragraph (7) (b), subsection B, section 3 hereof.

(2) Adjustment to minimize reduction in county allotments because of increased national yield

The necessary part of the remaining 4-percent State reserve, if any, after allotments have been made under A, B, and C (1) above shall be used to adjust 1942 cotton acreage allotments for counties for which such allotments have been reduced from 1940 because of the increase in the 5-year national average yield of cotton used in determining State cotton acreage allotments for such years.

The adjustments in county allotments shall be determined as follows:

TABLE VI

Column number and heading	:	Source of information
	:	
1. County	:	Indicate only the counties which
	:	received no increase in 1940 allot-
	:	ment under Section 344 (e) (1) of
	:	the Act (60 percent minimum pro-
	:	vision)
	:	
2. Indicated 1942 county allotment	:	Determined in accordance with
	:	Section 344 (c) (1) of the Act
	:	(furnished by Southern Division)

3. 110 percent of column 2 <u>1/</u>	:	:
4. 1940 official county allotment	:	Item 1, Form SR-428
5. Indicated acreage	:	Smaller of column 3 or 4
6. Indicated acreage adjustment in county allotment from 4-percent State reserve	:	Column 5 minus the larger of (1) column 2 or (2) the 1942 county cotton allot- ment computed pursuant to section 344 (e) of the Act.
7. Acreage adjustments in county allotment from 4-percent State reserve	:	Column 6 adjusted pro rata, if necessary
	:	:

1/ 1.10 is the approximate ratio of 1936-1940 average yield to the 1934-1938 average yield of cotton for the United States used in determining State acreage allotments for 1942 and 1940, respectively.

If the State total of column 6 is equal to or less than the total 4-percent State reserve minus the sum of the acreage allotted from such reserve under subsections A, B, and C (1) above, the entries in column 6 will be the acreage to be added to the respective county allotments. If the remaining acreage is less than the total of column 6, the entries in column 6 shall be reduced pro rata to the remaining acreage in the State reserve available for this purpose and the resulting acreage entered in column 7.

The acreage in column 6 or 7, whichever is applicable, shall be entered in item 2, Form 6C, prior to the determination of cotton acreage allotments for group 1-A farms.

(3) Adjustment to minimize reductions in farm allotments
because of previous group C-2 farms

The necessary part, if any, of the 4-percent State reserve not apportioned to counties or reserved for the correction of errors in accordance with the provisions of subsections A, B, C (1) and (2) of this section is available for apportionment to farms in those counties in which acreage allotments to farms which were group C-2 in 1938, 1939, 1940, or 1941 would substantially reduce the county cotton factor which would otherwise be used.

All counties in which allotments were determined for group C-2 farms in 1938, 1939, 1940, or 1941 for which a 1941 county cotton ratio revised to include tilled acreage in 1941 group C-2 farms is less than .4000 shall be considered in apportioning the available State reserve. Data for such counties shall be tabulated on crop reporting sheets in accordance with the following instructions.

TABLE VII

Column number and heading	Source of information
1. Estimated 1942 tilled acreage adjusted	Column 5, Form Cotton 510, for groups 1-A, 1-B, and C-2 farms
2. 1938 tilled acreage adjusted for 1938 group C-2 farms	Column 5, Form ACP-58, tabulation of farms in group C-2
3. 1939 tilled acreage adjusted for 1939 group C-2 farms	Column 6, Form ACP-84, tabulation of farms in group C-2
4. 1940 tilled acreage adjusted for 1940 group C-2 farms	Column 5, Form ACP-108, tabulation of farms in group C-2
5. 1941 tilled acreage adjusted for 1941 group C-2 farms	Column 5, Cotton 510, tabulation of farms in group C-2
6. Correction of 1941 tilled acreage adjusted	Column 1 minus (column 2 plus column 3 plus column 4 plus column 5)
7. 1942 county allotment less "5-to 15-acre" reserve recommended in 1941	Item 1 plus item 2, Form 6C, minus item 11, Form SR-528
8. Adjusted county cotton ratio	Column 7 divided by column 6
9. Adjusted factor	The smallest of (1) 95 percent of the entry in column 8, (2) .4000, or (3) the largest of the 1938, 1939, 1940, or 1941 county cotton factor
10. Estimated 1941 county cotton ratio	Column 7 divided by column 1 $\frac{1}{1}$
11. Maximum additional acreage	(Column 1 times column 9) minus column 7
12. Indicated acreage to be apportioned	The smaller of (1) column 11 or (2) the sum of the 1938, 1939, 1940, and 1941 allotments for group C-2 farms for which tilled acreage is included in columns 2, 3, 4, and 5
13. Acreage apportioned	See instructions below
<u>1/</u> No further consideration shall be given counties for which the entry in column 9 is equal to or less than the entry in column 10, and columns 11 through 13 shall not be executed for such counties.	

In executing columns 2, 3, 4, and 5 the tilled acreage adjusted for group C-2 farms in 1938, 1939, 1940, or 1941 on which cotton was not planted must not be included in the respective entries for columns 2, 3, 4, and 5. Accordingly, all Forms SR-208 and SR-213 shall be examined for 1938 group C-2 farms and if cotton was not planted on the farms in 1938, a line shall be drawn through the data listed on Form ACP-58; similarly a line shall be drawn through the data listed on Form ACP-84 for each 1939 group C-2 farm on which cotton was not planted in 1939; a similar procedure shall be followed in lining out data on Forms ACP-108 and Cotton 510 for group C-2 farms on which cotton was not planted in 1940 and 1941, respectively. Corrected totals of the tilled acreage adjusted shall be determined, excluding the entries which are lined out, and such corrected tilled acreage adjusted for 1938, 1939, 1940, and 1941 group C-2 farms shall be entered in columns 2, 3, 4, and 5, respectively.

If the State total of column 12 does not exceed that part of the State 4-percent reserve not previously apportioned to counties or reserved for the correction of errors (or the difference obtained by subtracting from the total 4-percent State reserve the sum of the acreage allotted under subsections A, B, and C (1) and (2) of this section) the acreage in column 12 will be the reserve available for apportionment to farms in the respective counties. If the State total of column 12 exceeds that part of the 4-percent State reserve not previously apportioned to counties or reserved for the correction of errors, the entries in column 12 shall be reduced pro rata to equal the total of the remaining part of the 4-percent State reserve and the adjusted acreage to be apportioned shall be entered in column 13. The acreage in column 12 or 13, whichever is applicable, for the respective county shall be entered as item 3 of Form 6C, prior to the determination of allotments for group 1-A farms.

The State office shall prepare and transmit to the Southern Division a tabulation by counties of the acreage reserve, if any, determined for counties as shown in columns 11, 12, and 13, Table VII.

(4) Apportionment of acreage not otherwise used from the State reserve

Any remaining acreage of the State reserve not apportioned under the provisions of subsections A, B, and C, (1), (2), and (3) of this section 4 shall be apportioned to farms for which the acreage allotment otherwise determined prior to the application of the provisions of subsection B (8) of section 3 is less than 50 percent of the sum of the acreage planted to cotton in 1937 and the acreage diverted from cotton production in 1937 under the 1937 program provided the resulting allotment for any such farm is not caused to exceed the smaller of (1) 50 percent of such 1937 planted and diverted acreage of cotton or (2) 40 percent of the tilled acreage on the farm. The acreage available for this purpose, if any, shall be the State 4-percent reserve minus the sum of the acreages allotted under subsections A, B, and C (1), (2), and (3) of this section 4.

Section 5. Administrative areas. -

A. DETERMINATION OF COUNTIES IN WHICH ADMINISTRATIVE AREAS
WILL BE DESIGNATED

(The procedure outlined in this section 5 will be used only in the event administrative areas were not established for 1940 pursuant to Section 344 (f) of the Act.)

The State and county committeemen shall determine the additional counties, if any, in which it is believed that, because of different conditions, including types, kinds, and productivity of the soil, it may be necessary to divide the county into administrative areas in order to prevent discrimination among such areas in the county. After determining such counties, one or more of the following methods may be used, together with any other available data which will serve as an indication of the need for administrative areas, in finally determining whether administrative areas will be established.

(1) Determination by ratio of 1937 base to cropland by
designated communities under the Bankhead Act

The tabulation outlined below should be made by communities as indicated by the letter A, B, etc., shown in the reference to a Bankhead Act application in Section III of the 1937 worksheet, Form SR-101. If it is believed that the communities used in connection with the Bankhead Act in 1935 do not divide the county into different areas with respect to soil types and type of farming, the county office should segregate the 1937 worksheets into areas which are similar with respect to soil types and type of farming. The county office should tabulate the data outlined below, except that column 4 need not be executed at this time.

Column number and heading	Source of information
1. 1937 worksheet serial number	1937 worksheet
2. 1937 cropland	Line 1, column M, Form SR-101
3. 1937 cotton base acreage	Line 2, column M, Form SR-101
4. Ratio of 1937 cotton base to 1937 cropland	(Column 3 divided by column 2) to be entered later if necessary

When the above tabulation has been completed, the State office shall compute the weighted average ratio of the 1937 cotton base acreage to the 1937 cropland for each community or area, as the case may be. A comparison of these ratios may indicate that administrative areas are needed, if there is a substantial variation in these ratios as between communities or areas of the county. If such ratios do not vary materially

for different sections of the county, it is likely that administrative areas should not be set up.

The ratios may be plotted on a county outline map as a further aid in determining the necessity for administrative areas.

(2) Determination by comparison of 1937 base with cropland or tilled acreage by individual farms

Column 4 of the tabulation prepared as set forth under (1) above shall be executed for each farm or, if (1) above is not used individual farm ratios shall be computed on Form SR-101 by dividing the 1937 base thereon, line 2, column M, by the 1937 cropland thereon, line 1, column M, and entering the resulting ratio in line 1, column N.

A frequency distribution shall be made associating size of each base acreage with the above ratio for the respective farm. The frequency tabulation should be set up showing class intervals of base acreages down the left side of a tabulation sheet, and the class interval of percentages across the top of the tabulation sheet. A class interval of 10 acres and 5 percent, in these variables, will be satisfactory for most counties. The following example may be used as a guide in setting up this frequency table.

FREQUENCY TABLE

	Mid-point	Classes	Percent of cropland			Total items	Percent
			0-4.9 percent	5.0-9.9 percent	10.0-14.9 percent		
Cotton base acreage	(0-9.99	:	:	:	:	:
	(10.0-19.9	:	:	:	:	:
	(20.0-29.9	:	:	:	:	:
	(170.0-179.9	:	:	:	:	:
	(180.0-189.9	:	:	:	:	:
	(190.0-199.9	:	:	:	:	:
1. Total items	:	:	:	:	:	:	:
2. Percent farm distribution	:	:	:	:	:	:	:
3. Class interval midpoint	:	:	:	:	:	:	:
4. Estimated acres	:	:	:	:	:	:	:
5. Percent acreage distribution	:	:	:	:	:	:	:

When the frequency table is set up, a county should be made of the data. This may be done by one clerk calling the base acreage and the respective ratio for each farm while another clerk finds the class in which such base acreage falls in the vertical axis of the frequency table and enters a small mark opposite such base acreage in the column in which the ratio falls in the horizontal axis. For farms for which the 1937 base acreage is 200 acres or more, the base should be tabulated at the

bottom of the frequency table directly below the class in which the ratio falls to aid in summarizing such data. These counts should be made in blocks of five to aid in summarizing the frequency table.

When all farms for which ratios have been computed have been entered in the frequency table, the table should be summarized according to each class on the vertical axis and on the horizontal axis. That is, the number of entries in each class of base acreages in the frequency table will be entered in a column headed "Total items" on the right of the sheet and the number of entries for each class of ratios will be entered below the frequency table in line 1 labeled "Total items". The number of items summarized across the bottom and down the right side should be the same. Such total should be entered in line 1 at the bottom of the column headed "Total items" on the right of the frequency table. The number of items by classes across the bottom and down the right side should be divided by the total number of items shown at the bottom on the right side of the frequency table to determine the percentage distribution of the total number of farms. Enter the resulting percentages in line 2 below the table and in the column to the right of the "Total items" column.

In the left margin of the frequency table the midpoint of each class interval of base acreages should be entered opposite each class. For instance, the midpoint of the class from 50 to 59.9 is 55 acres. The midpoint of each class, except the class interval of base acreage from 200 up, should be multiplied by the number of items in such class for each column of percentages shown at the bottom of the frequency table. The base acreage in the class interval from 200 up can be summarized from the base acreages tabulated for each class of percentages. Such estimated base acreages for all farms in each class of percentages can be accumulated on a calculating machine and the total entered in line 4 below the table. When the base acreage is estimated for each class of percentages, a summary of all classes should be made and the total acreage entered on the right side of the frequency table in the same line in the column headed "Total items". The base acreage for each class of ratios, shown in line 4 below the table, should be divided by the total of all base acreages estimated for the frequency table as shown in line 4 in the column headed "Total items". The resulting percentage should be entered immediately below the base acreage for each class of percentages in line 5 below the table. The total of such percentage should aggregate 100 percent.

The above data should be charted on graph paper in the form of a bar chart, as an aid in determining whether or not administrative areas are necessary for the county. On the horizontal axis show the percentage that the 1937 base acreage is of the cropland. On the vertical axis show the percentage of farms. The percent of farms in each percentage range will be represented by a bar. The height of each bar will represent the percentage of farms in each percentage range. The position of the bar on the horizontal axis will represent the percentage which the 1937 base is of the cropland. Show at the top of each bar the percentage of the base acreage represented by such farms as shown in line 5 of the frequency table. The percentage of farms in each range will be taken from line 2 of the frequency table.

When these charts have been completed, it will be possible to observe the variation in the percentage that the 1937 base acreage is of the cropland, as well as the percentage of farms and the percentage of base acreage affected. This will indicate the variations of 1942 cotton acreage allotments as between farms when computed on a uniform county percentage basis as compared to the normal cotton acreage on such farms and will serve as an indication of whether administrative areas are necessary to prevent discrimination.

(3) Determination by use of county maps

It may be desirable to plot data from a sample of such farms on a county map which is large enough to determine the approximate location of farms. In counties where maps are available showing divisions by sections, etc., and where the legal descriptions of the farms are correctly entered on the worksheet it should be feasible to locate the approximate position of farms on the map. The data to be plotted will consist of the farm ratios determined under (2) above. An inspection of such data plotted on a county map should be valuable in determining whether administrative areas are necessary and in determining boundary lines of areas.

B. DETERMINATION OF ADMINISTRATIVE AREA BOUNDARY LINES

If it is determined that administrative areas are necessary for a county, a soils map and a plat ownership map of the county should be obtained, if available. The boundary line of each administrative area should be outlined by the county committee on a map of the county with such aid from the community committeemen, or others, as is necessary.

C. DETERMINATION OF COTTON ACREAGE ALLOTMENTS FOR ADMINISTRATIVE AREAS

(This procedure is to be used for determining allotments for administrative areas in all counties, including those counties in which administrative areas were established in 1941.)

When the boundary lines of the administrative areas have been determined, the county committee should make a separate tabulation for each area showing (a) the 1941 serial number of every cotton farm, and (b) the sum of the 1937 planted plus diverted acreage for each farm participating in the 1937 program and the 1937 acreage for each farm that did not participate in the 1937 program. These data will be obtained from line 1, column E, table 1, Form SR-301. These data should then be summarized for each area and for the county. The acreage for each area divided by the total of such acreage for the county will be the percentage to be used in apportioning the 1942 county acreage allotment to each administrative area in the county. If it is determined that the 1937 planted plus diverted acreage for 1937 participants and the planted acreage for nonparticipants is not an equitable basis for apportioning the 1942 county acreage allotment, further instructions will be furnished by the Southern Division.

Allotments to the farms within each administrative area shall be made by distributing the allotment for such administrative area as provided herein.

D. DETERMINATION OF NORMAL YIELDS FOR ADMINISTRATIVE AREAS

A 1942 normal cotton yield shall be established for each administrative area within any county upon the basis of the average yield in each such area during the period 1936-1940, inclusive, taking into consideration abnormal weather conditions. The weighted average of the normal yields established for all administrative areas within any county shall equal the county limit determined for such purpose under the 1942 program.

(1) Tabulation of annual data

The data used in determining 1941 normal yields for administrative areas shall be used in establishing 1942 normal yields for administrative areas unless such data are not representative for 1942 because of changes in cotton production between the areas such as abandonment of cotton production in one or more of such areas or other causes which may materially change the normal yields for such areas. If it is determined that the 1942 normal yields for administrative areas for any county should be determined on the basis of revised data, the data for each farm listed on the group 1-A and 1-B tabulations of Cotton 610 shall be tabulated from table 1, Form SR-301, by administrative areas as follows:

FARM DATA TABULATION

Column number and heading	Source of information
1. 1941 serial number	Form SR-301
2. 1941 operator	Form SR-301
3. 1936:	
(a) Production	Line 3, column B
(b) Acreage	Line 3, column C
4. 1937:	
(a) Production	Line 4, column B
(b) Acreage	Line 4, column C
5. 1938:	
(a) Production	Line 5, column B
(b) Acreage	Line 5, column C
6. 1939:	
(a) Production	Line 6, column B
(b) Acreage	Line 6, column C

Column number and heading	Source of information
7. 1940:	
(a) Production	Line 7, column B
(b) Acreage	Line 7, column C

A summary of the acreage and production items of this tabulation shall be obtained for each administrative area and the average yield for each year derived therefrom.

(2) Adjustment of annual yields

Adjustment of annual yields for an administrative area shall be made if it is found that abnormal weather conditions resulted in abnormal yields in such areas. The procedure outlined below shall be used in adjusting the five-year average yield for abnormal weather conditions for each administrative area.

A yield adjustment tabulation shall be executed as follows:

YIELD ADJUSTMENT TABULATION

	Area A					Area B				
	Percent	Ad-	Plant-	Produc-		Percent	Ad-	Plant-	Produc-	
	of 5-	just-	ed	tion		of 5-	just-	ed	tion	
	Yield : year : average	: ed : yield	: acre : age	: (col.3 : x col.4)		Yield : year : average	: ed : yield	: acre : age	: (col.3 : x col.4)	
	1	2	3	4	5	1	2	3	4	5
1936										
1937										
1938										
1939										
1940										
Total		xxx	xxx				xxx	xxx		
5-year average		xxx	xxx				xxx	xxx		

(a) Enter in column 1 the average yield for each year and the five-year simple average determined by dividing the total of the yields for each year in the five-year period by 5.

(b) Enter in column 2 for each year the percentage (carried at least one place beyond the decimal point) obtained by dividing the yield for such year by the five-year average in column 1.

(c) Enter in column 3, 120 percent of the five-year average yield in column 1 for each year for which the percentage in column 2 is greater

than 120 percent. Enter in column 3, 80 percent of the five-year average yield for each year for which the percentage in column 2 is less than 80 percent. For all other years transfer the yield in column 1 to column 3.

(d) Enter in column 4, the planted acreage for each year from the farm data tabulation for the respective administrative area prepared in accordance with the instructions contained in (1) above.

(e) Enter in column 5 for each year the production obtained by multiplying the adjusted yield in column 3 by the planted acreage in column 4 on the respective line.

(f) The totals of columns 4 and 5 shall be entered in the spaces provided and the weighted average yield of such acreage and the production figure shall be entered in the spaces at the bottom of column 3.

If there are more than two administrative areas within the county, additional columns shall be provided for each area.

(3) Final determination of normal yields

(If the 1942 normal yields for administrative areas are based on the same data as were used in determining the 1941 normal yields for such areas, it will only be necessary to prepare the tabulation in sub-section D (3) of section 5 as shown below and transmit to the Southern Division for review and final approval.)

The five-year weighted average yield in the last line, column 3, of the yield adjustment tabulation shall be used in determining the normal yield for each administrative area. The normal yield for each administrative area shall be determined as follows:

Item 1. _____	Item 2. _____	Item 3. _____
: Total : acreage : allot- : ment	: Adjusted : 5-year : yield	: Production : Production : Adminis- : (column 1 : (column 3 : trative : times : times : area normal : column 2) : item 3) : yield
: 1	: 2	: 3 : 4 : 5
A		
B		
County total:	: xxx	

(a) Enter as item 1 the 1942 county yield limit furnished by the Southern Division.

(b) Enter in column 1 the total of the acreage allotments in each administrative area as shown in column 14, Cotton 610, and enter the county total in the space provided.

(c) Enter as item 2 the production obtained by multiplying the county total of column 1 by the yield in item 1.

(d) Enter in column 2 the five-year weighted average yield shown in the last line, column 3, of the yield adjustment tabulation.

(e) Enter in column 3 the production figure obtained by multiplying the entry in column 1 for each administrative area by the entry in column 2 and enter the county total of column 3 in the space provided.

(f) If the county total of column 3 is not equal to the production figure in item 2, it will be necessary to adjust the yields in column 2. The adjustment factor (carried at least four places beyond the decimal point) shall be obtained by dividing the production in item 2 by the county total production in column 3 and shall be entered as item 3. Enter in column 4 the production for each administrative area obtained by multiplying the production in column 3 by the adjustment factor in item 3. The total of column 4 must equal item 2.

(g) Enter in column 5 the normal yield (rounded to the nearest whole pound) for each administrative area determined by dividing the respective production in column 4 by the acreage allotment in column 1 of the same line.

Immediately after the normal yields for the respective administrative areas within a county have been determined, the State office shall transmit to the Southern Division all tabulations except the "Farm Data Tabulation" set forth in this subsection for review and final approval of the normal yields. Normal yields for farms within each administrative area shall be determined as provided in section 8 hereof.

Section 6. Redetermination of erroneous 1942 cotton acreage allotments. -

A. COUNTY OFFICE INSTRUCTIONS

Any error in the 1942 cotton acreage allotments resulting from inaccurate transcribing or computing of data in either the State or county office shall be corrected. Cotton acreage allotments for 1942 are determined upon the basis of measurements under the 1941 program and no changes will be permitted because of different measurements under the 1942 program, unless it is proved that the 1941 measurements were in error. Subject to the right of appeal, a change in the cotton allotment, because of erroneous measurements in 1941, will be initiated by the State or county office only in cases where the change would be greater than (a) 5 acres or (b) 10 percent of the original allotment determined for the farm, whichever is smaller.

If the county office finds that an error has been made in the computation of the 1942 cotton acreage allotment for any farm, the operator shall be promptly notified in writing that the original allotment was in error and is therefore null and void; the nature of the

error; and that the cotton acreage allotment for his farm is being re-determined. The State office shall be notified promptly of each such error found, and the notice to the State office shall be signed by the secretary of the county association and by one member of the county committee. In notifying the State office of any error made in the computation of the 1942 cotton acreage allotment for any farm, the county office shall furnish the State office the serial number of the farm, together with a full and complete statement regarding any data listed on Cotton 610 which are in error. The county office shall also transmit to the State office for any such farm the performance report, worksheet, or any other form on file in the county office which indicates that data listed on Cotton 610 were in error.

After the county office has received the corrected allotments from the State office, the county office shall promptly notify the operators of such farms of the corrected 1942 cotton acreage allotments for their farms on 42-SR-81 in accordance with the applicable instructions. The corrected notice shall be mailed to the operator, together with a letter signed by the chairman or acting chairman of the county committee regarding the correction of the error, again informing the operator that the original allotment which he received was in error and therefore is null and void; and further that the corrected notice being transmitted shows the 1942 cotton acreage allotment for that farm.

B. STATE OFFICE INSTRUCTIONS

When the State office is advised by the county office that the 1942 cotton acreage allotment determined for any farm is in error, the State office shall promptly review all the pertinent data. If the State office finds that such allotment was erroneously determined, it shall be redetermined.

In redetermining cotton acreage allotments for farms for which the original allotment was erroneously determined, such farm shall be classified in the proper group (1-A, 1-B, or C-2) on a blank Cotton 610 marked "Correction Supplement", in accordance with the provisions of these instructions. A notation referring to the "Correction Supplement" shall be made on the original Cotton 610 tabulation. A block of two lines shall be used for each farm for which the 1942 cotton acreage allotment was originally in error. The data as shown on the original Cotton 610 shall be transferred (using a red pencil or red ink) to the first line of the block for that farm on the "Correction Supplement". The correct data for the farm shall be entered (using a black pencil or black ink) on the second line of the block for that farm and shall be used in redetermining the 1942 cotton acreage allotment for the farm. When such allotment has been correctly determined, the State office shall notify the county office of the correct allotment.

The State office shall keep an accurate record of the net difference between the red and black figures on the "Correction Supplement" for all farms in the county for which the 1942 cotton acreage allotments are corrected. Such net difference shall be obtained for each page by

summarizing the page totals of the data listed in black (using a black pencil or black ink) and the page totals listed in red (using a red pencil or red ink), then obtaining the difference between the page totals of the figures shown in black and shown in red. If the total shown in red for any column is in excess of the total shown in black for that column, the net difference for the column shall be shown in red. If the total of the black figures for any column is in excess of the total of the red figures for that column, the difference shall be shown in black.

The State office shall keep an accurate record for each county of the net difference for each column of the "Correction Supplement". Summaries for each county of such net differences, including the number of farms, shall be prepared on Form 42-SR-8 in accordance with instructions thereon and transmitted to the Southern Division when all sections of such form have been completed for the county. The acreage originally allotted to these farms shall be used in redetermining the 1942 allotments for such farms in the county. Any change in the acreage allotments resulting from the correction of errors will be added to or deducted from the State reserve for this purpose, provided that the additional acreage used in correcting errors cannot exceed the acreage available in the State reserve for correction of errors.

Section 7. Apportionment of released cotton acreage allotments. -

A. COUNTY OFFICE INSTRUCTIONS

(1) General

Those parts of 1942 cotton acreage allotments released by groups 1-A and 1-B farms because they will not be used shall be reapportioned to other farms in accordance with these instructions. The county committee shall designate the farms within the county to which such allotments shall be reapportioned, basing its designation upon the character and adaptability of the soil and other physical facilities affecting the production of cotton and the need of the operator for an additional allotment to meet the requirements of the families engaged in the production of cotton on the farm.

(2) Release of unused allotments

Before reapportioning to individual farms within the county any unused cotton acreage allotments released by other farms it will first be necessary to obtain a full summary of all cotton acreage allotments which have been released in whole or in part by each farm. Each operator of a 1-A or 1-B farm desiring to release any part or all of the cotton acreage allotment for his farm shall execute 42-SR-9C, "Release of Unused 1942 Cotton Acreage Allotment", and file such form with the county office not later than the date set by the State committee, which date shall not be later than April 15, 1942. The operator's signature must be witnessed and also must be verified in the county office and checked by the county committee.

As each 42-SR-9C is received in the county office the name of the operator, serial number of the farm, and the 1942 cotton acreage allotment for the farm shall be verified by checking against the appropriate entries on Cotton 610. If any item on 42-SR-9C is found to be in error, the form shall be returned to the operator for correction and re-execution.

If the acreage that will be planted to cotton in 1942 is not definitely known it will be necessary to use the acreage intended to be planted as a basis for determining the 1942 planted cotton acreage on the farm.

A county summary of 42-SR-9C for farms releasing 1942 cotton acreage allotments shall be prepared on a columnar listing sheet in accordance with the following instructions.

TABULATION I

6	Column number and heading	Source of information
1.	1942 serial number	Cotton 610 or 42-SR-9C
2.	1942 operator	Column 3, Cotton 610, or 42-SR-9C item 1,
3.	1942 cotton allotment	Column 14, Cotton 610, or 42-SR-9C
4.	Intended planted acreage	Item 2, 42-SR-9C
5.	Acreage available for release as reported by operator	Item 3, 42-SR-9C
6.	Acreage released	The smaller of (1) the entry in column 5 or (2) the acreage ob- tained by subtracting the entry in column 4 from the entry in column 3
7.	Revised 1942 allotment	Column 3 minus column 6

The sum of the entries in column 6 will be the total released cotton acreage allotments in the county.

(3) Determination of county's share

The unused acreage available for reapportionment shall include (1) the smaller of (a) the acreage released in the county, or (b) 100 acres plus 50 percent of the result obtained by subtracting 100 from the total unused acreage released within the county, and (2) any part of the State reserve of released allotments apportioned to the county; provided that, in any county in which the released cotton acreage

available for reapportionment is less than 100 acres, the county committee may release to the State committee all or any portion of such released acreage for use as provided in subsection B (1) of this section 7.

The county computation sheet shall be prepared in triplicate for determining the amount of such acreage available for farms within the county in accordance with the following instructions.

COUNTY COMPUTATION SHEET

	:	<u>Acres</u>
1. Total county unused acreage released (column 6, tabulation I)	:	_____
2. Item 1 (if more than 100 acres) minus 100	:	_____
3. 50 percent of item 2	:	_____
4. Item 3 plus 100	:	_____
5. County unused acreage available for reapportionment (smaller of item 1 or 4)	:	_____
6. County reserve for correction of errors	:	_____
7. Released acreage available for making additional allotments (item 5 minus item 6)	:	_____
8. Released acreage allotment allocated to county from State reserve (to be filled in by the State office)	:	_____
9. Total released acreage available for reapportionment (item 7 plus item 8, to be filled in by the State office)	:	_____
10. Released acreage reapportioned (total of column 5 of supplementary tabulation)	:	_____
11. Number of farms releasing unused acreage allotments (total number of entries in column 4 of supplementary tabulation)	:	<u>Farms</u> _____
12. Number of farms receiving additional allotments (total number of entries in column 5 of supplementary tabulation)	:	_____

Irrespective of the amount of acreage released, the county committee shall execute items 1 through 7 of the county computation sheet and within 2 days after the closing date for accepting 42-SR-9C transmit

the original and one copy to the State office for execution of items 8 and 9. Items 10 through 12 shall be executed in accordance with further instructions contained in this section 7.

The county reserve, if any, provided in item 6 shall be used in accordance with the instructions contained in sections 6, 8, and 10 hereof.

(4) Apportionment of unused acreage released

(a) Eligible farms. - Each farm will be eligible to receive an additional allotment from the county reserve of unused acreage except the following, which shall be identified by inserting a check mark (✓) immediately to the right of column 17, Cotton 610: (1) all farms included in Tabulation I, (2) all farms with an entry in column 14 in excess of the entry in column 12, Cotton 610, and (3) 1942 group C-2 farms.

(b) Apportionment to eligible farms. - The county committee in reapportioning the available acreage to farms shall first set aside sufficient acreage for correcting errors in farm acreage allotments, including any increase in allotments because farms have become reconstituted in accordance with section 8 hereof. In reapportioning the remainder of the released acreage, if any, the county committee shall consider the character and adaptability of the soil and other physical facilities related to the production of cotton on the farm, together with the needs of the operator for an additional allotment, based upon the requirements of the families engaged in the production of cotton thereon. In most cases, the entry in column 6 of Cotton 610 is a good index of the farm's adaptability to the production of cotton. The relation of the cotton acreage allotment shown in column 14 to the entry in column 13 reflects the need of additional cotton acreage allotment for such farm in 1942 based on the inadequacy of such allotment in view of the past acreage devoted to cotton production.

The county committee shall consider farms progressively in accordance with the following conditions in reapportioning the county reserve of released acreage. In making allotments to individual farms the committee shall consider the amount of family labor available, the acreage of cash crops other than cotton grown by such families, and the adaptability of such labor for cotton production, as well as the equipment on the farm suitable for cultivating cotton.

1. Farms for which the entry in column 14 equals the entry in column 13 shall receive first consideration for additional allotments. For example, if the entries in columns 14 and 13 equal 20, such farms should be given first consideration based upon the production factors in the preceding paragraph.

2. Farms for which the entry in column 14 slightly exceeds the entry in column 13 shall receive consideration for additional allotments after the farms mentioned in paragraph 1 above have been considered.

For example, if the entries in columns 14 and 13 are 41 and 40 respectively, such farms should be given next consideration for an allotment.

3. All other eligible farms shall be considered progressively, in so far as the county reserve of released acreage will permit, in accordance with the percentage increase of the entry in column 14 over the entry in column 13. For example, if the entry in column 14 is 110 percent of the entry in column 13 for farm A, whereas for farm B each percentage is 115 percent, farm A should be considered before farm B.

(c) Supplementary tabulation for reapportionment of released allotments. - A columnar tabulation of six columns shall be prepared showing each farm for which a 42-SR-9C was executed and each farm for which a portion of the released acreage is allotted: (1) the farm serial number; (2) name of the operator; (3) the farm allotment as shown in column 14, Cotton 610; (4) acreage released; (5) acreage reapportioned; and (6) the revised farm acreage allotment. The tabulation shall be designated "Supplementary Tabulation for Release and Reapportionment of Farm Cotton Allotments" and shall be executed as follows:

Column 3. - Enter the farm acreage allotment shown in column 14, Cotton 610.

Column 4. - Enter the released acreage shown in column 6, Tabulation I, in the appropriate line of column 4. The total of column 4 must equal the total of column 6 of Tabulation I.

Column 5. - Enter the additional acreage reapportioned to eligible farms in the appropriate line of column 5.

Column 6. - Enter in column 6 the smaller of (1) the entry in column 3 plus the entry in column 5 or (2) the entry in column 12, Cotton 610. If the sum of the entries in columns 3 and 5 in any line exceeds the entry in column 12, Cotton 610, the entry in column 6 shall be adjusted downward to eliminate such excess, a county total of column 6 shall be obtained and entered as item 10 on the computation sheet. Item 10 must not exceed item 9.

For farms with an entry in column 4, enter in column 6 the result obtained by subtracting the entry in column 4 from the entry in column 3.

A new Form 42-SR-81 shall be executed for each farm for which a revised allotment is shown in column 6 and shall be designated "Revised Allotment" and shall be mailed to the operator of each such farm after the revised allotments have been approved by the State office.

When the State office approves the reapportionment of the released allotments as indicated on the supplementary tabulation, the original entry in column 14, Cotton 610, for each farm listed on the supplementary tabulation shall be lined through and the entry in

column 6 of the supplementary tabulation for such farm entered immediately above in red.

(5) Transmittals to State office

The supplementary tabulation, together with the tabulation I and the County Computation Sheet, shall be transmitted immediately to the State office for approval if found to be correct. All such transmittals must be received in the State office not later than May 1, 1942.

(B) STATE OFFICE INSTRUCTIONS

(1) Allocation of State reserve of released allotments to counties

Upon receipt of the County Computation Sheets from all counties, the State reserve consisting of the surplus released acreage not heretofore available for reapportionment within each respective county shall be determined by summarizing item 3 of the county computation sheet.

The State committee shall use such reserve, or any necessary part thereof, to supplement the State reserve originally determined to allow for increased farm allotments resulting from correction of errors, late worksheets, and reconstituted farms for 1942, provided the original reserve for this purpose is determined to be insufficient. The remaining part, if any, of the State reserve of released acreage shall be prorated to counties for reapportionment to farms.

The proration of such State reserve to counties shall be made on the basis of the acreage allotted in the county under Section 344 (h) of the Agricultural Adjustment Act of 1938, as amended. A tabulation prepared as follows shall be used in prorating the State reserve to counties.

Column number and heading:	Source of information
1. County	: Include only counties that have a : final cotton factor less than : 0.4000
2. Allotment under subsection (h)	: Item 37, Form 6C
3. Acreage prorated to the county:	: Proration factor ^{1/} times entry : in column 2

^{1/} The remainder of the State reserve of released acreage divided by the total of the entries in column 2. The proration factor should be carried at least four places beyond the decimal point.

The acreage determined in column 3 shall be entered as item 8 on the respective County Computation Sheet. Item 9 should be determined by adding items 7 and 8. The original County Computation Sheets shall then be mailed to the respective counties at a date which should be not later than two days after all such sheets have been received in the State office.

(2) Checking county office work

Upon receipt of the supplementary tabulation, together with tabulation I, and the original County Computation Sheet, the State office shall check in detail the items and entries thereon, following the county office instructions of this subsection. In the event an error is found, the incorrect entry should be lined out so as to remain legible, and the correct entry inserted with a red pencil or in red ink.

After the necessary items and entries have been carefully checked and the State office determines that the county committee has complied with the instructions, the entries in column 6 from the supplementary tabulation shall be transferred in red pencil to Cotton 610, column 14, on file in the State office, and the original entry lined through. The total of column 3 minus the total of column 6 of the supplementary tabulation must equal the total of items 1 plus 8 minus item 10 of the County Computation Sheet. The State office shall then return the supplementary tabulation and tabulation I to the county office and instruct the county committee to notify operators of the revised 1942 allotments. If, however, it is determined that the county committee failed to follow instructions, the State office shall return the supplementary tabulation, tabulation I, and the original County Computation Sheet to the county committee with instructions to make the necessary correction.

C. MISCELLANEOUS INSTRUCTIONS

Special consideration shall be given to cotton acreage allotments for farms to be operated by producers transferring from farms in areas purchased or leased in connection with the National Defense Program and which will be retired from production and not operated in 1942. Farmers transferring from these retired areas, if they stay in farming, will have some choice of whatever farms are available for rent or purchase in adjacent and other farming areas not directly involved in the National Defense Program. Most of such farms in regular, established cotton farming areas will have established cotton data on which a cotton allotment has been determined and which, no doubt, will be given careful attention by the farmer before he rents or purchases the farm.

The allotments for group 1-A or 1-B farms to be operated by producers transferring from retired areas should be given special consideration from a special frozen acreage reserve available from released allotments obtained from farms which are retired from production.

The county office shall transmit to the State office a list of the worksheet serial numbers, the names of the 1941 operators, tenants,

and sharecroppers, and the 1942 allotments for farms in retired areas which are not to be operated in 1942. Copies of the list should also be made available to other counties to which such producers are likely to transfer. The county office shall designate and line out the entries for such allotments on its copies of Cotton 610. The State office shall check the 1942 allotments for such farms against its copy of Cotton 610 and when approved by the State committee such allotments shall be considered officially released from the farms for which they were originally determined and which will not be operated in 1942. The State office shall maintain a record of such released acreage separate and apart from acreage released by 1942 operators under subsection A (2) hereof. This special frozen acreage reserve shall be available only for farms to be operated by producers transferring from retired areas.

As transferring producers make farming arrangements for 1942, the county committee shall carefully consider the established allotment for the farm. If the allotment for the farm is inadequate as compared with similar farm allotments in view of the new operator and the changed factors of operations, it shall recommend to the State committee an upward adjustment in the allotment. The county office shall prepare and transmit to the State office not later than May 1, 1942, a list of farms for which upward revisions are recommended showing the serial numbers, the 1942 operator, the names of producers from retired areas on each farm, the previously established allotment, the upward adjustment recommended, and the revised 1942 allotment if the recommendation is approved. The State committee shall carefully review the county committee's recommendations and may approve such recommendations to the extent there is released acreage available in the State reserve for this purpose.

A tabulation designated "Supplementary Tabulation for Reapportioning Released Allotments From Farms in National Defense Areas" shall be prepared in accordance with subsection A (4) (c) of this section 7 for those farms for which an upward adjustment is approved in the allotment previously determined because the farm will be operated by producers transferring from national defense areas. The allotment limitations as provided in subsection A (4) will apply to these farms. The revised allotment for each farm shall be entered in the applicable lines of column 14 of the county and State office copies of Cotton 610 in red pencil and the original entry lined through. The county office shall then be notified of the revised cotton acreage allotments and instructed to notify the applicable producers of such farm allotments on 42-SR-81 in accordance with the applicable instructions.

Section 8. Determination of 1942 cotton acreage allotments for farms omitted from the original tabulation. -

A. COUNTY OFFICE INSTRUCTIONS

A supplemental tabulation of groups 1-A and 1-B farms omitted from the original tabulation of Cotton 610 shall be prepared in the county office in accordance with instructions in section 2 hereof.

As soon as the supplemental tabulations have been completed, they shall be transmitted to the State office.

B. STATE OFFICE INSTRUCTIONS

When the supplemental listing sheets, Cotton 610, are received in the State office, such forms shall be checked in accordance with the instructions contained in section 3 hereof. Allotments for such farms shall then be determined in accordance with the following procedure. If the county acreage reserve plus the acreage, if any, which the State committee apportions to the county from the State reserve is sufficient to provide full allotments^{1/} for farms included on supplemental Cotton 610, allotments for such late farms shall be determined in accordance with section 3 A and B hereof; except that for group 1-A farms the final tilled acreage factor which was used in the county for regular farms shall be used in column 7, Cotton 610, and it will not be necessary to compute preliminary factors.

In the event that the county reserve plus the acreage, if any, which the State committee apportions to the county from the State reserve is not sufficient to make full allotments, the full allotments shall be reduced pro rata so as not to exceed the available reserve for such farms. In making such proration, the procedure outlined in section 3 C for group C-2 farms shall be followed.

The allotments to late worksheet farms shall then be entered in column 14, Cotton 610, in accordance with the instructions contained in section 3 hereof, and the tabulations returned to the county office with instructions to notify operators of their 1942 cotton acreage allotments on Form 42-SR-81 as provided in the applicable instructions. A county summary of data for late worksheet farms shall be prepared as provided on Form 42-SR-8 and transmitted to the Southern Division when all sections of such form have been completed.

Section 9. Determination of farm acreage allotments for reconstituted farms. -

A. COUNTY OFFICE INSTRUCTIONS

A cotton acreage allotment and normal yield per acre shall be determined for each farm reconstituted in 1942 as provided in this

^{1/} In order to determine whether the acreage reserve available to the county is sufficient to make full allotments, it will be necessary to summarize data from supplemental forms 610 and compare the estimated total requirements for making full allotments with the county reserve plus the acreage, if any, which the State committee apportions to the county from the State reserve. The estimated total requirements to make full allotments may be obtained by adding (1) the indicated allotment for farms in group 1-B as shown by the total of column 6, supplemental Cotton 610, for group 1-B and (2) estimated allotment for group 1-A farms obtained by multiplying the total of column 5, supplemental Cotton 610, by the final factor for all group 1-A farms in the county.

section 9. Forms SR-301 shall be executed for all reconstituted farms as provided in section 102, Part X, SRB-602. The county office shall prepare a supplementary Cotton 610, listing thereon all data for farms which are reconstituted for the 1942 crop year in accordance with instructions in section 2 hereof.

The name of the county and State shall be entered in the spaces provided at the top of the listing sheet. The word "Subdivision" or "Combination", as the case may be, shall be entered in the space designated "Group".

(1) Combinations

For farms which are to be combined as one farm for the 1942 crop year after 1942 cotton acreage allotments and normal yields have been determined, supplementary listing sheets, Cotton 610, shall be used. In a block of five lines (or more if necessary) enter from the original Cotton 610 on which the 1942 allotments were computed, the data for the applicable columns provided in section 2 hereof. The county office shall also determine (as instructed by the State office) the 1942 serial number to be used for the combined farm as well as the name of the 1942 operator and enter such data in the applicable columns 2 and 3.

(2) Subdivisions

For farms which have been subdivided into two or more farms since the 1942 acreage allotments and normal yields were originally determined, the allotments for the subdivided farms shall be determined as follows:

A block of five lines (or more if necessary) shall be used for each farm which is subdivided. On the first line in the block enter the data from the respective columns on the original Cotton 610 for the farm for which the acreage allotment was originally determined. The applicable data for the subdivided farms shall be obtained from Forms SR-301 and entered in the applicable columns, as provided in section 2 hereof, immediately following the listing of the data for the original farm.

The county office shall enter in column 2 a serial number (as instructed by the State office) for each subdivision and in column 3 the name of the 1942 operator.

(3) Recommendation of normal yields

The county committee shall enter in line 9, column H, Form SR-301, for each reconstituted farm, its recommendation of the 1942 normal yield of cotton for the farm.

In the case of a combination of two or more farms, the farm normal yield shall be the weighted average of the 1942 final normal

yields originally approved as shown in line 9, column I, Form SR-301, for the farms being combined.

In the case of a subdivision the county committee shall recommend yields in accordance with the factors set forth in subsection H, section 3, hereof, for determining farm normal yields of cotton, except that the weighted average of the approved yields for the subdivided farms shall not exceed the 1942 yield originally approved, as shown in line 9, column I, Form SR-301, for the farm being subdivided. The committee's recommendation of yields for reconstituted farms in line 9, column H, Form SR-301, shall be entered in the appropriate lines of column 15 (b) of the supplementary listing sheets for "subdivision" or "combination", as the case may be.

(4) Transmittals to State office

When all farms in the county which are to be subdivided or combined have been listed in accordance with the above instructions on Cotton 610, Forms SR-301 for the original and reconstituted farms and the supplementary listing sheets shall be transmitted to the State office. The State office will determine acreage allotments and normal yields for the reconstituted farms for 1942.

B. STATE OFFICE INSTRUCTIONS

(1) Combinations

The State office shall verify the tabulation of the original data for the farms which are to be combined and determine the totals of the data tabulated in the applicable columns of Cotton 610. On the basis of the combined data the 1942 acreage allotments of each farm shall be determined in accordance with the instructions in section 3 hereof.

(2) Subdivisions

The State office shall verify the tabulation of the original data for the farms for which the 1942 acreage allotment was originally computed as well as the subdivisions of the data in the respective columns. The acreage allotments for the subdivided farms will then be determined in accordance with the instructions in section 3 hereof.

(3) Approval of normal yields

For farms which were reconstituted the State office shall verify the tabulation of original yield data in column 16 and review the county committee's recommendations of farm normal yields for such reconstituted farms. When the applicable acreage allotments for the reconstituted farms have been approved, normal yields for such farms shall be determined.

In the case of a combination, the normal yield shall be the average of the 1942 yields originally approved, weighted by the acreage allotments originally approved for the farms being combined.

In the case of subdivisions, the county committee's recommendation of normal yields for the subdivided farms shall be adjusted pro rata, if necessary, so that the average of such yields, when weighted by the final approved acreage allotments for the subdivided farms, shall not exceed the 1942 yield approved for the farm before it was subdivided.

The final normal yield for such farms shall be entered in column 16, Cotton 610, and column 17 shall be executed in accordance with instructions in subsection E of section 3 hereof.

(4) Transmittal to county office

The original copy of the supplementary Cotton 610 shall be detached and returned to the county office with instructions to notify each operator of the 1942 farm cotton acreage allotment and normal yield for his farm as constituted in 1942 on 42-SR-81 as provided in the applicable instructions.

(5) State office records

The State office shall keep an accurate record currently for each county of the original allotments and the redetermined allotments for farms which are reconstituted in 1942. The acreage originally allotted to these farms shall be used in redetermining the 1942 allotments for such farms in the county. Any change in acreage allotments resulting from redetermination of allotments will be added to or deducted from the State reserve for lates and errors, except that the acreage deducted from the reserve shall not exceed the acreage available in such reserve. A summary of data for reconstituted farms shall be prepared on Form 42-SR-8 as provided thereon and transmitted to the Southern Division when all the sections thereon have been completed for the county.

Section 10. Execution of table 1, Form SR-301. -

A. TABULATION OF DATA

Cotton data shall be entered in table 1 as follows:

(1) Columns A, B, C, and D

(a) Enter in line 8, column B, the 1941 production of cotton which shall be the last cumulative total of column M, Cotton 551, if the net bale weights have been entered in column M. If gross bale weights have been entered in column M, enter in line 8 the difference of the last cumulative totals of columns M and N of Cotton 551.

(b) Enter in line 8, column C, the 1941 acreage of cotton from Section II, Form SR-512.

If in both 1939 and 1940 no cotton was planted on the farm and in 1941 the acreage planted to cotton on the farm is less than 3 acres or 3 percent of the 1941 cotton acreage allotment, whichever is smaller, but in any event less than one-tenth of an acre, the farm shall be considered a "new farm" in 1942. Where this provision is applicable enter the measured acreage from SR-512 to line 8, column C, and encircle in green. No diversion will be computed for such farm for 1941.

(c) Enter in line 8, column D, the 1941 yield per acre obtained by dividing the production in column B by the acreage in column D.

(d) Enter in line 8, column A, the letter "R" (for reliable records) if the 1941 marketing quota records of production are accepted by the county committee as representing the actual production on the farm in 1941. If such marketing quota records are not accepted by the county committee, the operator shall be requested to submit records of actual production for 1941. If the operator of any farm has reason to believe that the 1941 marketing quota records of production for his farm are in error, he may submit to the county committee records of actual production for his farm for 1941. Any records of actual production submitted by an operator must consist either of authentic gin tickets or sales receipts and must be approved in the regular manner before such records may be accepted as being reliable. If the records of 1941 production are not accepted by the county committee as being reliable records, enter the letter "X" in column A.

(2) Column E

(a) Enter in line 5 the 1941 planted plus diverted acreage, which will be the total of the entries in line 5, column F, and line 8, column C.

(b) Enter in line 9 the total of the entries in lines 4 through 8, column B.

(3) Column F

(a) Enter in line 5 the 1941 diverted cotton acreage. The diverted acreage for 1941 for farms for which the operator signed an intention sheet (SCP-1) under the 1941 Supplementary Cotton Program prior to June 15, 1941, and for which the sum of the acreages planted to the special crops (wheat, potatoes, commercial vegetables, rice, and tobacco) in 1941 did not exceed the sum of the 1941 special crop allotments for such crops shall be obtained by subtracting the 1941 planted acreage of cotton from the highest planted and diverted cotton acreage during the three years 1938-1940. For other cotton farms the diverted cotton acreage for 1941 shall be similarly determined provided that such acreage shall not be greater than 50 percent of the highest planted and diverted acreage during the three years 1938-1940.

Diverted acreage shall not be computed for a farm on which cotton was not planted during any year of the 1939-1941 period, and any diversion computed for 1939 or 1940 for such farm shall be lined out and will not be used in determining the 1942 cotton acreage allotment, if any, for such farm.

(b) Enter in line 9 the total of the unencircled entries in lines 4 through 8, column C.

(4) Column G

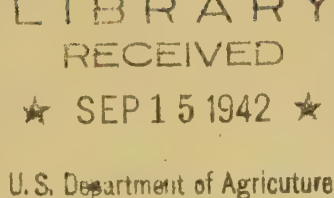
Enter in line 9 the result obtained by dividing the total production in line 8, column E, by the total acreage in line 8, column F.

(5) Column I

The county office shall not make any entries in line 9, column I, before Cotton 610 has been transmitted to the State office for final determination and approval of 1942 normal yields as provided herein. Upon receipt of the approved yields on Cotton 610 from the State office, the final approved yields in column 16, Cotton 610, shall be entered in line 9, column I, table 1, of the farm worksheet, at the time operators are notified of the 1942 normal yields for their farms in accordance with the instructions in section 9 hereof.

B. LINE 9 - 1942

Enter the 1942 cotton acreage in column C from the 1942 performance report as soon as available.



Issued July 13, 1942

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Agency

COUNTY OFFICE PROCEDURE FOR HANDLING 1942-43 GIN REPORTS

1. Receipt of gin reports:

- A. The treasurer of the county committee will receive from each ginner in the county form Cotton 615-A, together with either
- (1) A legible copy of the ginner's ticket which has been approved by the AAA, or
 - (2) Form Cotton 615, covering in either case
 - (a) Each bale ginned for producer(s):
 - (b) Each bale ginned from cotton acquired in the seed from producer(s) either by the ginner or by other buyer(s);
 - (c) Each lot of seed cotton or loose lint acquired by the ginner from the producer(s); and
 - (d) Forms Cotton 615 covering each lot of seed cotton acquired from producer(s) by other seed cotton buyer(s) and turned over to the ginner by such other buyer(s) of seed cotton from producer(s).
- B. The ginner's report will be submitted semi-monthly. The report covering (1) cotton ginned and (2) seed cotton acquired during the first 15 days of the month shall be submitted not later than the 20th day of the month. The report covering (1) cotton ginned and (2) seed cotton acquired during the remainder of the month shall be submitted not later than the 5th day of the next month. If the ginner submits both copies of form Cotton 615-A, the treasurer will initial and date the copy and return it to the ginner.

2. Audit and handling of gin reports:

- A. The county office will count the tickets and forms Cotton 615 accompanying form Cotton 615-A to determine that the numbers in each of the four groups are correctly recorded by the ginner in Part I of form Cotton 615-A. In this process the tickets and forms Cotton 615 will be divided into the four groups (and an extra group to be called the "Suspense" group if any tickets or forms Cotton 615 cannot be allocated to any of the four groups). Discrepancies in the numbers of tickets

and forms Cotton 615 recorded by the ginner in Part I of form Cotton 615-A and all other discrepancies shall be immediately corrected to the extent possible, through contact with the ginner if necessary. The county office will see that the County Code and Gin Code Number have been entered on each form Cotton 615 executed by the ginner.

B. The ginner's report will be summarized in Part II of form Cotton 615-A as follows:

- (1) The gin code number and the gin report number will be entered in the spaces provided.
- (2) Line 4: The group of tickets or forms Cotton 615 properly recorded in item 2 of Part I of form Cotton 615-A will be summarized and entered in line 4 as follows: the number of bales will be determined and entered in the appropriate columns A through D; the total gross weight of all the bales in column E; and the net weight in column G. These tickets and forms Cotton 615 will then be stapled together to the top of the form Cotton 615-A. Columns H and I will not be used.
- (3) The tickets and forms Cotton 615 properly recorded in items 1, 3, and 4 of Part I of form Cotton 615-A will then be summarized and entered in lines 1, 2, and 3 as follows:
 - (a) The two groups of tickets or forms Cotton 615 in items 3 and 4 of Part I of form Cotton 615-A will be put together into one group;
 - (b) The tickets and forms Cotton 615 in each of the two groups ((1) those in item 1 of Part I of form Cotton 615-A, and (2) those in items 3 and 4 of Part I of form Cotton 615-A, respectively) will then be divided and stapled together by farms (and fastened together by counties in the case of cotton produced in other county(ies));
 - (c) Line 3; the number of bales ginned for producers in the county will be determined and entered in appropriate columns A through D; the gross weight of cotton in column E; the weight of bagging and ties in column F; and the net weight in column G. The estimated (or known) amount of lint in seed cotton bought from producers in the county will then be determined and entered in column H; and the total net weight ($G \div H$) entered in column I.
 - (d) Line 2; the procedure under (c) will then be followed with respect to cotton produced in other counties and the results entered in line 2.
 - (e) Line 1; Lines 2 and 3 will be added and entered in line 1.

(f) Line 5; the summary of tickets and forms Cotton 615 in the "Suspense" group will be entered in line 5.

- (4) The tickets and forms Cotton 615 which cover cotton produced in the county will then be filed in the appropriate farm folders.
- (5) The form Cotton 615-A will be filed in a folder for the gin.
- (6) The tickets and forms Cotton 615, if any, which could not be allocated to any of the four groups (and which were, therefore, placed in the 'suspense group) will then be placed in a single "suspense" folder for the county.

3. Execution and handling of form Cotton 557:

A. The tickets and forms Cotton 615 covering cotton produced in other counties will be sent with the original and the green copy of form Cotton 557 to each other such respective county. Form Cotton 557 will be prepared as follows:

- (1) The top part of the form will be prepared as indicated in the form. The balance period dates to be entered will be the semi-monthly period succeeding the period covered by the gin reports. The transmittal numbers of forms Cotton 557 will begin with (1) for each other county and run in sequence.
- (2) The tickets and forms Cotton 615 for each gin which reported cotton for the other county during the semi-monthly period just ended will be summarized on one line of Part I of form Cotton 557. The code number(s) of the gin(s) and the gin report number(s) will be entered in column A. The totals of the entries for all such gins will be entered on the total line.
 - (a) If any tickets or forms Cotton 615 which were placed in the suspense folder during a previous balance period are removed from the suspense folder to be sent to another county, such tickets or forms Cotton 615 will be summarized on a separate line of Part I of the form Cotton 557 which is being prepared. In such a case the symbol "Sus" for Suspense should be entered in Column A of form Cotton 557. See paragraph 5 herein-after.
- (3) Enter in Part II the totals for tickets and forms Cotton 615 which were returned to the original sending county by the other county during the previous balance period because they could not be allocated to farms in such other county. Such tickets and forms Cotton 615 will have been recorded by the other county in the spaces provided in Part B on the back of the green copy of form Cotton 557 and returned with such green copy to the original sending county. All of the tickets and forms Cotton 615 which are returned and which have been re-

corded in Part B on the back of the green copy of form Cotton 557 will be recorded by the receiving county in red in one line on the original form Cotton 557, which is to be retained, so that, when the next form Cotton 557 is received from the original sending county, the county which returned the tickets and forms Cotton 557 may verify that the original sending county has cancelled them in Part II of such next form Cotton 557 prepared for the other county. These red entries will be disregarded in the preparation of form Cotton 566.

- (4) Enter in Part III the cumulative totals from Part IV of the last form Cotton 557 sent to the other county.
- (5) Enter in Part IV the result of Part I minus Part II plus Part III.
- (6) Part V will not be used.
- (7) The bale numbers of the gin tickets and forms Cotton 615 being transmitted to the other county will be entered on the back of the green copy of form Cotton 557 in the spaces provided in Part A. In case the ticket or form Cotton 615 does not cover a bale, but covers either cotton bought in the seed or loose lint bought from producer(s), the symbol consisting of the letter "S" followed by the number of pounds of lint cotton (thus "S-400") will be entered in lieu of bale number.

B. The receiving county will verify the figures on form Cotton 557, place the tickets and forms Cotton 615 received from the sending county in the appropriate farm folders, sign the green copy of Cotton 557 in the space provided, and return it immediately to the sending county.

- (1) Any tickets or forms Cotton 615 which accompanied form Cotton 557 and which cannot be allocated to farms will be recorded in the spaces provided in Part B on the back of the green copy of such form Cotton 557 and returned with the green copy of such form Cotton 557 immediately to the sending county.
- (2) The original sending county to which the tickets or forms Cotton 615 are returned by the other county will verify the figures on the back of the green copy of form Cotton 557, and put such tickets or forms Cotton 615 in the suspense folder.

C. Original forms Cotton 557 will be filed by counties. Copies of forms Cotton 557 will be filed by counties.

4. Preparation and disposition of form Cotton 566:

- A. At the end of each balance period the county office will prepare form Cotton 566, send the yellow and pink copies to the State Office, and file the original copy in the county office.

B. Execution of form Cotton 566:

- (1) The top of the form will be executed as indicated on the form.
- (2) Part I will be the cumulative total of line 1 of Part II of all forms Cotton 615-A, plus the totals of Parts A, C, and F of the Transfer Sheet for the immediately preceding balance period, and minus the totals of Parts D, G, and H of the Transfer Sheet for the immediately preceding balance period.
- (3) Part II will be Part IV of the last form Cotton 557 sent to each other county. One line will be used for each such other county, and the State and County Codes of such counties will be entered in columns A and B.
- (4) Part III will be the Part IV of the last form Cotton 557 received from each other county. One line will be used for each such other county and the State and County Codes of such other counties will be entered in Columns A and B.
- (5) Part IV will be Part I minus Part II plus Part III.
- (6) Part V will be the cumulative totals of line 4 of Part II of all forms Cotton 615-A, plus Parts B and G of the Transfer Sheet for the immediately preceding balance period and minus Parts E and F of the Transfer Sheet for the immediately preceding balance period. Columns J and K of Part V will not be executed.
- (7) Part VI will be executed in items 1, 2, 3, and 5. Items 4 and 6 will not be used. Item 5 of the first form Cotton 566 executed should equal the totals of lines 5, Column I, of all forms Cotton 615-A which have been executed. Item 5 of each subsequent form Cotton 566 should equal item 5 of the last form Cotton 566 executed, plus the totals of Parts D, E, and H of the Transfer Sheet for the immediately preceding balance period, plus the totals of lines 5, Column I, of Part II of the current forms Cotton 615-A, and minus the totals of Parts A, B, and C of the Transfer Sheet for the immediately preceding balance period.

5. Execution of Transfer Sheet:

- A. A transfer sheet will be prepared for each balance period. Tickets and forms Cotton 615 which are allocated to the wrong folder will be transferred to the proper folder as they are identified, and a record of such transfer(s) will be made currently on the transfer sheet.
- B. The transfer(s) will be recorded in Parts A through H depending on the nature of the transfer(s).
- C. No record will be made of transfers between farm folders in the county.

- D. Tickets and forms Cotton 615 returned from other counties and recorded in Part B on the back of the green copy of form Cotton 557 will always be recorded in part H.
- E. Tickets and forms Cotton 615 which were allocated either to farm folders or to folders for cotton ginned for persons other than producers and which are found to belong in other counties shall be recorded in Part D or E, respectively, of the Transfer Sheet, then recorded in Part C, and sent to the other counties on form Cotton 557 as heretofore explained.

6. Special instructions to County Committee:

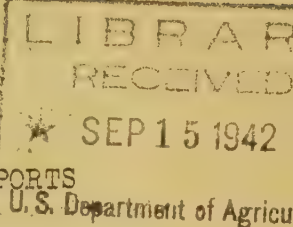
- A. The County Committee shall timely and properly instruct ginner and seed cotton buyers.
- B. The County Committee shall distribute properly forms Cotton 615 and 615-A.
- C. The County Committee shall see to it that proper reports are timely submitted.
- D. The County Committee shall reimburse ginner for postage in mailing gin reports to the county office in accordance with established procedure.
- E. If extracts on forms Cotton 616 or 626 are received, the County Committee shall have copies of form Cotton 615 prepared for such cotton and handle such copies in the manner outlined above.

* * *

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT AGENCY

INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS
FOR 1942

PART VIII. SUMMARY OF GINNERS' AND BUYERS' RECORDS AND REPORTS



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PREFACE

It is the purpose of this summary to present an outline of the main provisions of the Regulations Pertaining to Cotton Marketing Quotas for the 1942-1943 Marketing Year (designated MQ-603-Cotton) as they relate to ginners and buyers and to explain the manner of executing certain of the forms prescribed therein. It is not possible within the limits of this summary to deal with every situation coming within the scope of the regulations or to discuss the execution of all forms provided for therein, and ginners and buyers should use this summary as a guide rather than a substitute for the regulations. The regulations are issued by virtue of the authority vested in the Secretary of Agriculture by Title III of the Agricultural Adjustment Act of 1938 (Public Law No. 430, 75th Congress, approved February 16, 1938, 52 Stat. 31, 7 U. S. C. 1301 et seq.), as amended, Public Law 74, 77th Congress, approved May 26, 1941, Public Law 374, 77th Congress, approved December 26, 1941, and Public Law 384, 77th Congress, approved December 26, 1941 (referred to herein as the Act). Copies of the regulations and supplies of required forms will be furnished free to persons needing them, upon request made to the office of the county agricultural conservation committee in the county in which the ginner or buyer is situated.

A. RECORDS TO BE KEPT AND REPORTS TO BE SUBMITTED BY GINNERS

Section 801 Applicability of the regulations. Records and reports of ginners are required in connection with all cotton produced in the calendar year 1942, whether it is ginned prior to or subsequent to August 1, 1942. The records and reports also relate to cotton produced in 1941, or any prior year, which is ginned during the current season. The term "ginner," as used in the regulations, includes all persons who gin cotton as the term is ordinarily understood. A person who is a ginner may also be a cotton buyer or a cotton producer, or both. However, the records and reports required of him in his capacity as a ginner are separate and cannot be substituted for those required of him in his capacity as either a buyer or a producer. A copy of the reports required with respect to cotton ginned must be retained by the ginner for a period of not less than two calendar years beyond the calendar year in which the marketing year ends, that is, until December 31, 1945.

Sec. 802 Form of the ginner's report for cotton ginned. Each ginner must make a record and report for all cotton which he gins. This report may be made in one of two ways, namely: First, on form Cotton 616; or second, on copies of gin bale receipts or tickets (herein referred to as "gin tickets") which the ginner has had printed for use in his business and which have been approved by the Agricultural Adjustment Agency. Gin tickets which have not been approved by the Agricultural Adjustment Agency cannot be accepted as a report in lieu of form Cotton 616. The gin ticket illustrated in figures 1, 2, and 3 is a sample form for explanatory purposes only and is not to be considered as a standardized form. Form Cotton 616-A will be used as a transmittal and receipt for the gin tickets constituting the report.

Sec. 803 Form of the ginner's report for seed cotton. Each ginner must make a record and report for all seed cotton marketed by the producer and received by the ginner from the producer or from a buyer or transferee who acquired the cotton from the producer. This report may be made in one of two ways, namely: First, on form Cotton 626; or second, on copies of gin tickets which have been approved by the Agricultural Adjustment Agency and which will be transmitted and receipted for on form Cotton 616-A.

Sec. 804 Time and place of submitting ginner's reports. The ginner's report must be made for each period beginning with the first day of each month through the fifteenth, and from the sixteenth day of each month through the last day of each month. All cotton ginned during the period and all seed cotton received by the ginner from producers or other persons during the period is to be included in the report. Each report is to be submitted to the treasurer of the county committee for the county in which the gin is situated not later than 5 days next succeeding the last day of the period covered by the report.

Sec. 805 Penalty for ginner failing to make a report or making a false report. The Act makes the failure to submit a ginner's report, or the submission of a false report, a misdemeanor punishable, upon conviction, by a fine of not more than \$500 for each offense. However, this is expressly declared to be in addition to, and not exclusive of, any of the remedies or penalties under existing law.

Sec. 806 General provisions relating to the preparation of the ginner's report. The responsibility for correctly preparing and submitting the reports rests upon the ginner. The ginner should nevertheless feel free to call upon the office of the county committee for information relating to the execution of any part of the report or the manner in which any particular facts are to be reported. The county office will in turn bring to the ginner's attention any details in which the report is incomplete or in error. The execution of the ginner's record and report (forms Cotton 616 or 616-A) for the various kinds of ginning is fully explained in instructions printed on the reverse sides of the forms, and illustrations of the manner in which gin tickets shall be executed are shown in figures 1, 2, and 3 of this summary. The following instructions may assist the ginner in connection with entries in the report which are not fully discussed in the instructions printed on the forms:

1. The farm serial number. In each case the ginner must obtain from the producer the serial number assigned by the Agricultural Adjustment Agency for the purpose of identifying the farm on which the cotton was produced. If the cotton was produced on more than one farm, the serial number of each farm must be obtained. The farm serial number may be taken from the marketing card issued to the producer for the 1942-1943 marketing year. However, if the marketing card is used as the source of information and the producer has more than one farm, care should be exercised to determine on which of the farms the cotton was produced and whether the marketing card was issued for that farm. The farm serial number must be entered in column A of form Cotton 616, or on the gin ticket, in each case where cotton is ginned by the producer and is not sold in the seed. If cotton was sold in the seed to a person other than the ginner, or if the ginner does not use a gin ticket in lieu of form Cotton 626, the farm serial number will be shown on form Cotton 626. If the producer does not know the farm serial number at the time of ginning, the ginner should obtain the location or description of the farm and enter this information on form Cotton 616 or the gin ticket. The failure of the ginner to obtain the farm serial number will not be excused, unless the farm is identified in some other manner or the failure to obtain it is justified by a report of facts showing that he was unable to obtain it after a reasonable effort.

2. Name of farm operator. In each case the ginner must obtain the name of the operator, as shown by the records of the Agricultural Adjustment Agency, of the farm on which the cotton was produced. If the cotton was produced on more than one farm, the name of the operator of each farm must be obtained. The name of the farm operator may be taken from the marketing card issued for the farm. Where the information is taken from the marketing card the ginner should first determine that the marketing card relates to the farm on which the cotton was produced and then enter in column C of form Cotton 616, or on the gin ticket, the name of the farm operator exactly as it appears on the marketing card. If cotton is not ginned in the name of the producer but is sold in the seed, the name of the farm operator will appear only on form Cotton 626 (see paragraph G of the instructions printed on the reverse side of form Cotton 616).

3. Name of producer, if other than the operator. In each case the ginner must obtain from the person who brings the cotton to the gin the name of the producer or producers, other than the operator or landlord, who are entitled to a share in the cotton and enter their names in column D of form Cotton 616, or in a space for that purpose on the gin ticket. If there is only one producer on the farm, or if the cotton was grown by the operator and no producer other than the operator is entitled to a share in the cotton, the word "Same" should be entered in column D of form Cotton 616 or on the gin ticket. If the cotton was sold in the seed and not ginned in the name of the producer, the names of the producers other than the operator will appear only on form Cotton 626.

4. County and State in which farm is located. The ginner must enter in column E of form Cotton 616, or in a space for that purpose on the gin ticket, the name of the county and of the State in which the farm on which the cotton was produced is located. If the cotton is sold in the seed and not ginned in the name of the producer, the name of the county and State will appear only on form Cotton 626.

5. Gin bale number or mark. The bale number or mark of each bale of cotton must be shown in column F of form Cotton 616. Bale numbers should be listed on form Cotton 616 in numerical order. If numbered gin tickets are used to report ginnings to the county committee and the bale number is different from the serial number of the ticket, the gin bale number or mark must be shown on the ticket.

6. Weight of the cotton. In each case the gross weight of the bale, including bagging and ties, must be entered in column H of form Cotton 616, or in a space for that purpose on the gin ticket. If the cotton ginned is not baled, the net weight of the loose lint cotton must be shown. If the cotton was produced on more than one farm, or if more than one producer other than the landlord and operator have an interest in the cotton, the amount of cotton for each farm and the amount of cotton for each producer must be shown separately.

Sec. 807 Ginner's certification and designation of the report on forms Cotton 616 or 616-A. In the spaces provided, the gin owner or his agent shall certify, in accordance with the instructions on the reverse side of forms Cotton 616 and 616-A, that the report is true and complete and that such report includes only the kind of ginning designated on the report.

Sec. 808 Handling of reports in connection with seed cotton. Any person who buys seed cotton, or who receives seed cotton by barter or exchange from the producer of the cotton, shall execute the "Report of Seed Cotton," form Cotton 626, as provided in section 824 of this summary. The ginner may, however, report the purchase or receipt of seed cotton for any purpose or the ginning of the seed cotton by executing and submitting, in lieu of forms Cotton 616 and 626, a copy of a gin ticket, provided the ticket has been approved for such use by the Agricultural Adjustment Agency. The report on form Cotton 626 or the gin ticket in each case shall be transmitted to the treasurer of the county committee by the ginner who gins the seed cotton or who receives it for any other purpose. Any person other than the producer of the seed cotton who delivers it to the ginner for ginning or for any other purpose must file with the ginner the original and copy of a properly executed form Cotton 626 covering the seed cotton. When the ginner acquires seed cotton from the producer by sale, barter, or exchange, the ginner must execute form Cotton 626 or a gin ticket (see figure 3) covering the seed cotton as the buyer or transferee. When the ginner takes a certain amount of the cotton ginned by or for the producer in payment of the ginning charges (commonly called "toll cotton"), the ginner is the buyer of such seed cotton and must include each amount of it in his report on form Cotton 626 or on a gin ticket.

The ginner shall include all forms Cotton 626 received during a semi-monthly period, or prepared by him for seed cotton which he acquired from the producer, in his ginner's report for that period, regardless of whether the cotton was actually ginned during the period. The original of each form Cotton 626 shall be submitted to the treasurer of the county committee not later than 5 days following the last day of the period.

Sec. 809 Preparation of the report for cotton ginned for persons other than producers. Any cotton ginned for a person other than the producer of the cotton shall be reported separately by the ginner on form Cotton 616 or on copies of the gin tickets and form Cotton 616-A. This report will include all cotton which is ginned from the seed cotton required to be reported on form Cotton 626 or on gin tickets. The execution of the report on form Cotton 616 is illustrated in paragraph G of the instructions printed on the reverse side of form Cotton 616 and the execution of the report on a gin ticket is explained in paragraph F of the instructions printed on the reverse side of form Cotton 616-A (see figure 2). It is to be particularly noted that in such cases no entries appear on form Cotton 616 in columns A, D, and E and, further, that the name of the person who acquired the cotton from the producer is recorded instead of the name of the producer of the cotton. The name of the producer and the identity of the farm will be shown only on form Cotton 626.

Sec. 810 Postage expense for mailing the ginner's report. If the ginner desires to be reimbursed for the expense he incurs in mailing his reports to the treasurer of the county committee, the ginner should arrange with the treasurer of the county committee at the beginning of the ginning season the time and manner in which he is to be reimbursed for the postage expense.

THIS SPACE FOR RECORDS
REQUIRED BY GINNER

BALE NO. 127 TICKET NO. 1001
DOE GIN COMPANY
Smithville, S. C.
DATE Aug. 29, 1942
FARM SERIAL NO. 1102
OPERATOR John Brown
PRODUCER Richard Jones
KIND OF BAGGING USED Cotton
(GROSS 514 LBS.
WEIGHT OF BALE (NET 100 LBS.
COUNTY Laurens STATE S. C.
(IN WHICH COTTON WAS PRODUCED)
LBS. LBS.
SEED COTTON BOUGHT LINT WT. EST.
MARKETING CARD NO.

Figure 1. - Gin ticket for cotton ginned for a producer.

BALE NO. 127 TICKET NO. 1002

DOE GIN COMPANY
Smithville, S. C.
DATE Aug. 29, 1942

FARM SERIAL NO. Buyer

THIS SPACE FOR RECORDS
REQUIRED BY GINNER

OPERATOR Dixie Cotton Co.

PRODUCER _____

KIND OF BAGGING USED Cotton
(GROSS 494 LBS.

WEIGHT OF BALE (NET _____ LBS.

COUNTY _____ STATE _____
(IN WHICH COTTON WAS PRODUCED)

SEED COTTON BOUGHT LBS. LINT WT. EST. LBS.

MARKETING CARD NO. _____

Figure 2. - Gin ticket for cotton ginned for a person other than a producer.

BALE NO. _____ TICKET NO. 1003

DOE GIN COMPANY
Smithville, S. C.
DATE Aug. 29, 1942

FARM SERIAL NO. 782

OPERATOR John Smith

THIS SPACE FOR RECORDS
REQUIRED BY GINNER

PRODUCER Same

KIND OF BAGGING USED _____
(GROSS _____ LBS.

WEIGHT OF BALE (NET _____ LBS.

COUNTY Burke STATE Georgia
(IN WHICH COTTON WAS PRODUCED)

SEED COTTON BOUGHT 1527 LBS. LINT WT. EST. 509 LBS.

MARKETING CARD NO. 88164

Figure 3. - Gin ticket for cotton marketed by a producer to a ginner.

B. RECORDS TO BE KEPT AND REPORTS TO BE SUBMITTED BY BUYERS.

Sec. 811 Applicability of the regulations. The records and reports of buyers are required in connection with all cotton marketed which was produced in the calendar year 1942, whether it is purchased prior to or on or subsequent to August 1, 1942, and to all cotton from a previous crop marketed during the marketing year. The term "buyer", as used in the regulations, includes all persons who purchase cotton from producers and all persons, with the exception of a transferee, who acquire title to cotton from producers. A transferee is a person who receives cotton from a producer by barter or exchange or gift inter vivos. Where the title to cotton is transferred by a producer to another person in return for cotton or other commodities, services, or property, and the value of the cotton or such other commodities, services, or property is not considered in terms of money, the transaction is a barter or exchange. Likewise there is a barter or exchange where the title to cotton is transferred by a producer to another in payment of a fixed rental or other charge for land. The meaning of the terms, as used, is seen in the following illustrations: A person who pays cash for cotton is a buyer, and a merchant who trades merchandise of the established value of \$80 for a bale of cotton is a buyer.

The regulations are applicable only to the first buyer who acquires title to cotton from the producer and do not apply to transactions in which a person acquires title to cotton from the first or any subsequent buyer or transferee. The records and reports required of a buyer are separate from and cannot be substituted for those required of him in his capacity as either a ginner or a producer.

Sec. 812 Duties and responsibilities of a buyer. The Act imposes upon the buyer the duty and responsibility of collecting the penalty incurred by a producer in marketing cotton in excess of the farm marketing quota. It is the duty of the buyer to require the producer to identify, by a marketing card or certificate, the cotton marketed by him in a manner which will permit the buyer to determine whether a penalty is or is not incurred by the producer with respect to the transaction. The buyer is also required to keep records and make reports which are necessary to determine the amounts of cotton marketed by the various producers and the amounts of the penalties incurred.

Sec. 813 Identifying cotton subject to and not subject to penalty. It must be determined by an examination of the producer's marketing card whether the cotton is to be marketed subject to or not subject to the penalty. The types of marketing cards with which cotton will be identified are as follows:

1. White marketing card. When this card (form Cotton 611) is used to identify cotton produced on the farm in connection with which it was issued, no penalty is required to be collected by the buyer, since the cotton is either marketed not subject to penalty or is cotton with respect to which the penalty, if any, will be paid later by the producer.

In the case the producer has made arrangements with the county committee to pay the penalty later, the legend "Penalty Secured" will appear on the white marketing card.

2. Excess marketing card. When this card is used to identify cotton, the cotton is not subject to penalty if the amount marketed in the particular transaction, plus the amount previously marketed, is not in excess of the number of pounds shown on the excess marketing card (form Cotton 612). The cotton identified by an excess marketing card is subject to penalty to the extent that the amount marketed in the particular transaction, plus the amount previously marketed, is in excess of the number of pounds shown on the marketing card as the marketing quota.

Sec. 814 Rate of the Penalty. Cotton marketed during the 1942-1943 marketing year in excess of the farm marketing quota or marketed without identification (see section 821 of this summary) is subject to a penalty of 8 cents per pound.

Sec. 815 Collection of the penalty. The penalty is due at the time cotton is marketed and is to be collected at that time by the buyer. The penalty may be collected by the buyer by receiving the amount from the producer or by deducting from the purchase price of the cotton the amount of the penalty. Cotton is marketed by sale when either title to or actual or constructive possession of the cotton is delivered by or on behalf of the producer or any part of the purchase price is paid.

Sec. 816 Time of remitting penalties. The penalty incurred by the producer must be remitted by the buyer to the treasurer of the county committee for the county in which the cotton was produced not later than 15 calendar days next succeeding the day on which the cotton was marketed. However, the penalty may be remitted sooner. The address of the treasurer of the county committee will be shown on the postal card copy of form Cotton 613.

Sec. 817 Form of remittance. The penalty shall be remitted only in legal tender or by check, draft, or money order. The check, draft, or money order must be drawn payable to the order of the Treasurer of the United States but is to be delivered to the treasurer of the county committee. A remittance in cash or by check, draft, or money order may cover the penalty incurred in a single transaction or it may cover the penalties incurred in several transactions in which the buyer has purchased cotton. The treasurer of the county committee will issue a receipt on form Cotton 419 to the buyer for the penalties remitted.

Sec. 818 Penalty for buyer failing to keep a record or make a report or keeping a false record or making a false report. The Act makes the buyer's failure to keep records or to submit reports as hereinafter described, or the keeping of a false record or the submission of a false report, a misdemeanor punishable, upon conviction, by a fine of not more than \$500 for each offense. However, this is expressly declared to be in addition to, and not exclusive of, any remedies or penalties under existing law.

Sec. 819 Procedure to be followed by buyers where cotton is identified by a white marketing card. Where cotton is marketed directly to and in the presence of the buyer, the buyer is not required to make any report to the treasurer of the county committee in connection with cotton identified by a white marketing card, except in cases where the buyer is requested to make a report on form Cotton 520 (see section 826 of this summary) or where cotton is purchased in the seed, in which latter event a report on form Cotton 626 is required (see section 824 of this summary). The buyer must satisfy himself that the person who is selling the cotton is the producer named on the white marketing card and who countersigned it or is his agent and has been designated as such on the white marketing card. If the person selling the cotton is not the producer named on the white marketing card, or his agent, the buyer should decline to purchase the cotton without a further investigation, since to do so would make the buyer a party to the improper use of the marketing card. If, however, he does purchase the cotton, it shall be taken as subject to the penalty and a penalty on the entire amount should be collected and the transaction reported to the treasurer of the county committee on form Cotton 530 (see section 821 of this summary).

If a producer was issued a white marketing card and markets his cotton by telephone, telegraph, or mail, or by any means or method other than directly to and in the presence of the buyer, the producer will identify the cotton by delivering to the buyer a certificate properly executed on form Cotton 411-A, as evidence of the fact that the producer was issued a white marketing card. The producer will retain the second copy of form Cotton 411-A and forward the original and the triplicate copy (form Cotton 411-A-b) to the buyer. The original of form Cotton 411-A will be retained by the buyer. The buyer must execute Part III and forward the triplicate copy to the treasurer of the county committee. The triplicate copy is prepared in the form of a business reply card and can be mailed by the buyer to the treasurer of the county committee, whose address appears thereon, without payment of postage. The instructions for the execution of form Cotton 411-A, which are printed on the cover of the book containing the forms, are as follows:

INSTRUCTIONS PERTAINING TO FORM COTTON 411-A. (For further Instructions, see regulations of the Secretary of Agriculture pertaining to cotton marketing quotas for the marketing year shown on forms Cotton 411-A.)

1. Distribute copies as follows:

- (a) Original (form Cotton 411-A) - to the buyer or transferee to whom the cotton is marketed.
- (b) Duplicate (form Cotton 411-A-a) - retain in the book.
- (c) Triplicate (form Cotton 411-A-b, postal card) -
 - (1) The producer shall forward form Cotton 411-A-b to the buyer or transferee with form Cotton 411-A.

- (ii) The buyer or transferee shall forward form Cotton 411-A-b to the treasurer of the county agricultural conservation committee by depositing it in the United States mails not later than fifteen calendar days next succeeding the day on which the cotton was marketed.

2. The county committee shall enter on each form Cotton 411-A the following:

- (a) The State and county code and farm serial number.
- (b) The serial number of the white marketing card issued to the producer.
- (c) The name and address of the producer to whom form Cotton 411-A is issued.
- (d) On the reverse side of form Cotton 411-A-b address of the treasurer of the county agricultural conservation committee.
- (e) The designation of the marketing year.

3. The producer shall execute Part II as follows:

- (a) Enter the net weight of lint cotton marketed in the particular transaction. Net weight of lint cotton is determined as follows: Deduct from the gross weight of the bale for bagging and ties:
 - (1) 21 pounds if jute bagging was used,
 - (2) 14 pounds if cotton bagging was used,
 - (3) 20 pounds if sugar bagging was used,
 - (4) 3 pounds in the case of a round bale, or
 - (5) In case cotton is sold in the seed, estimate the amount of lint in seed cotton.
- (b) Enter the date on which the cotton was marketed.
- (c) Enter the name and full mail address of the buyer or transferee.
- (d) Certify to the correctness of the information by signing his name and entering the date of his signature and the place of execution.

4. The buyer or transferee shall execute Part III as follows:

- (a) Examine the information in Parts I and II to determine whether the certificate was executed properly by the county committee and the producer and correctly states the facts in regard to the cotton marketed by the producer.
- (b) Certify to the correctness of the information by signing his name and entering the date of his signature and the place of execution.

Sec. 820 Procedure to be followed by a buyer where cotton is identified by an excess marketing card. Each excess marketing card (form Cotton 612) is printed as a part of a book of ten sets of forms Cotton 613. Whenever cotton is identified by an excess marketing card the buyer and the producer or his designated agent are required to make a record of the transaction and the buyer is required to submit a report of the transaction to the treasurer of the county committee.

The record and report is required to be made on form Cotton 613, which will be executed in triplicate. The report on form Cotton 613 is the only report required of the buyer where the cotton is identified by an excess marketing card except in cases where the buyer is requested to make a report on form Cotton 520 (see section 826 of this summary) or where the cotton is purchased in the seed, in which latter event a report on form Cotton 626 (see section 824 of this summary) is required in addition to the report on form Cotton 613.

The instructions for the execution of form Cotton 613 are printed on the covers of the book containing the forms.

If cotton is marketed by telephone, telegraph, or mail, or by any means or method other than directly to and in the presence of the buyer, the producer to whom an excess marketing card was issued will identify the cotton by delivering to the buyer the original and the triplicate copy of form Cotton 613 which has been completely executed by the producer with the exception of item 11.

Form Cotton 613-a, when executed by the buyer, will constitute a receipt from the buyer to the producer for the penalty collected. If, however, the cotton is not marketed directly to and in the presence of the buyer, the buyer will not be in a position to execute form Cotton 613-a, which is retained by the producer, and a separate receipt must be furnished by the buyer to the producer for the penalty collected.

Form Cotton 613-b (the postal card copy) should be deposited in the mail by the buyer at the earliest opportunity, but in no event later than 15 days after the date on which the cotton was purchased. If a penalty was collected with respect to the transaction, it must also be forwarded or delivered to the treasurer of the county committee (whose address appears on the address side of the postal card) within 15 days. No postage is required to be paid by the buyer with respect to the mailing of form Cotton 613-b, since it is a business reply card.

There are 10 sets of forms Cotton 613 in each book, and the buyer should ascertain in each case that all of the sets are accounted for, either as executed or unexecuted. Form Cotton 613-a (the yellow copy) should be in the book for each executed set. The number of yellow copies, plus the number of unexecuted sets, should equal 10. If any sets of form Cotton 613 are missing, the buyer should decline to purchase the cotton without a further investigation, since the excess marketing card cannot properly identify the cotton unless all sets of form Cotton 613 in the book can be accounted for.

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The buyer must satisfy himself that the producer named on the excess marketing card and who countersigned it is the producer selling the cotton. A person other than the producer named on the excess marketing card may use it in identifying cotton with respect to which it was issued if, and only if, the person has been designated on the excess marketing card by the producer as his agent. If the person selling the cotton is not the producer named in the excess marketing card, or his agent, the buyer should decline to purchase the cotton, since to do so without a further investigation would make the buyer a party to the improper use of the marketing card.

The sum of the entries in item 3 of all forms Cotton 613-a in the book accompanying the excess marketing card represents the total number of pounds of cotton marketed by the producer by use of the excess marketing card. If there is any unused portion of the marketing quotas, the balance will appear in item 4 of the form Cotton 613-a last executed. This balance should be verified by subtracting the sum of the entries in item 3 of all executed forms Cotton 613-a from the marketing quota shown on the excess marketing card. In the event that the farm or producer marketing quota has been increased and the amount of such increase appears in section (b) of Part I of form Cotton 612 (excess marketing card) the balance of the marketing quota will be the amount by which the original and additional marketing quota shown on the excess marketing card exceeds the sum of the entries in item 3 of all forms Cotton 613-a.

Sec. 821 Procedure to be followed by a buyer where cotton is not identified by a marketing card. The buyer of cotton which is not identified by a white marketing card (form Cotton 611), a certificate that a white marketing card was issued (form Cotton 411-A), or an excess marketing card (form Cotton 612), or by the certificates for long staple cotton referred to in section 822 of this summary, shall take the entire amount of the cotton as subject to the penalty and shall make a report on form Cotton 530 with respect to each such transaction. In no case should the buyer accept the statement of the producer or of any other person that the producer has a marketing card of a particular description or that the cotton is marketed not subject to the penalty. Form Cotton 530 shall be executed and distributed in accordance with the instructions printed on the cover of the book containing the forms.

Sec. 822 Long staple cotton. If long staple cotton is identified to the buyer by a white marketing card at the time it is purchased, the buyer is not required to make any report of the transaction to the county committee, unless specifically requested to do so by the county committee, as explained in section 826 of this summary. However, he must keep a record, as explained in section 825 of this summary, of each bale, or lot of cotton if less than a bale, purchased.

If the cotton is identified by Form 1 or Form A executed by the Board of Cotton Examiners, as cotton the staple of which is 1-1/2 inches or more in length, the buyer shall take such cotton as cotton not subject to the penalty and the producer is not required to identify the cotton with a marketing card. The buyer and producer shall make a report in connection with this type of transaction by executing a form Cotton 521

in triplicate, the original of which is to be delivered to the producer, a copy to be retained by the buyer, and the business reply postal card to be mailed or delivered to the treasurer of the county committee for the county in which the cotton was produced.

If the staple of the cotton is shown on Form 1 or Form A as being less than 1-1/2 inches in length, the purchase of such cotton shall be reported by the buyer on form Cotton 613 (see section 820 of this summary).

If the long staple cotton is not identified by a Form 1 or Form A, the purchase of the cotton shall be reported by the buyer on form Cotton 613 unless the producer has been issued a form Cotton 527 by the county committee and presents such form to the buyer as evidence of the fact that the cotton was produced from a pure strain of Sea Island or American-Egyptian seed. When a form Cotton 527 issued by the county committee is presented by the producer with respect to long staple cotton which is to be marketed, the buyer may purchase the cotton as not being subject to the penalty upon the producer certifying in Part III of the form that the cotton was or will be ginned on machinery designed specifically for the ginning of long staple cotton. The buyer shall complete the execution of the form by entering his signature and the required information in the spaces provided. The original shall be delivered to the producer, the copy shall be retained by the buyer, and the postal card copy (form Cotton 527-b) shall be deposited in the United States mails or delivered to the treasurer of the county committee.

Any long staple cotton not identified by any of the certificates or marketing cards referred to above shall be reported by the buyer on form Cotton 530 (see section 821 of this summary).

Sec. 823 Cotton produced by experimental stations. The buyer of cotton which is identified when marketed by a white marketing card issued to a publicly-owned agricultural experiment station with respect to cotton grown solely for experimental purposes is not required to make a report in connection with the transaction, unless specifically requested to do so by the county committee, but must keep a record of the purchase (see section 825 of this summary).

Sec. 824 Procedure to be followed where seed cotton is acquired by sale, barter, or exchange. Form Cotton 626 is the report required of the buyer or transferee in each case where he acquires seed cotton from a producer. This is true whether the buyer or transferee is also the ginner of the cotton or whether he is some other person except that the ginner may use an approved gin ticket in lieu of form Cotton 626. Form Cotton 626 must be executed for all cotton acquired in the seed whether the producer thereof was issued a white or an excess marketing card or no marketing card. If the cotton was identified by an excess marketing card, the buyer or transferee shall also make a report on form Cotton 613, in the regular manner, to the treasurer of the county committee and collect and remit the penalty, if any, as in other cases. The execution and distribution of form Cotton 626 is fully explained in instructions printed on the reverse side thereof.

If a ginner acquires seed cotton for any purpose from a person other than the producer of such cotton, that is, from a buyer or transferee, and such person fails to deliver to the ginner a form Cotton 626, required to be executed at the time the seed cotton was acquired by such person, the ginner with the assistance of the buyer or transferee shall execute a form Cotton 626 and submit the original to the treasurer of the county committee.

Sec. 825 Buyer's Record of Cotton Purchased. The regulations require that each buyer shall keep, as a part of or in addition to the records maintained by him in the conduct of his business, a record of each bale, or lot of cotton if less than a bale, which is purchased by him from the producer thereof. As a general rule, the records ordinarily kept by the buyer will contain all of the information required, with the possible exception of the serial number of the marketing card. It is intended and preferred that a buyer make no change in his regular record-keeping system other than may be necessary to record some information which he previously did not enter on his accounts, ledgers, or other records. If any buyer believes that it would be better to keep a separate record of the required information, copies of form Cotton 520 may be obtained without cost for this purpose from the county committee. The records of the buyer must contain the following information: (1) The name and address of the producer from whom the cotton was purchased; (2) the date on which the cotton was purchased; (3) the original gin bale number, or gin bale mark or other information showing the origin or source of the cotton, and, in the case of cotton purchased in the seed, the number of pounds of seed cotton and the known or estimated amount of lint in such cotton; (4) the number of pounds of lint cotton in each bale, or lot of cotton if less than a bale, purchased from the producer; (5) the amount of penalty required to be collected; (6) the amount of any penalty collected or remitted in connection with the cotton purchased from the producer; and (7) the serial number of the marketing card or certificate by which the cotton was identified when marketed. This record of the transactions made during the buying season, whether made on form Cotton 520 or on the books regularly maintained by the buyer, must be kept available for examination and inspection by the Secretary of Agriculture, or by any authorized representative of the Secretary of Agriculture, for a period of not less than two calendar years beyond the calendar year in which the marketing year ends, that is until December 31, 1945. This record must be kept available in order that the correctness of any report made or record kept pursuant to the regulations may be ascertained, or in order that the information required to be furnished in any report, but not so furnished, may be obtained.

Sec. 826 Buyer's special report. The buyer's special report is form Cotton 520. This report is to be made only after the State committee or county committee has requested the buyer to do so. When the buyer is requested to make the special report on form Cotton 520, the report must cover all cotton purchased by the buyer during a specified period of the marketing year or all cotton purchased from specified persons during all or a particular period of the marketing year. Form Cotton 520 will be requested if the State committee or the county committee has reason to believe that a buyer failed or

refused to collect or remit the penalty required to be collected by him on any cotton which he purchased, or otherwise in any manner failed or refused to comply with the regulations. The information required to be shown in this report with respect to each bale, or lot of cotton if less than a bale, is the same as that outlined in section 825 of this summary.

C. RECORDS TO BE KEPT AND REPORTS TO BE SUBMITTED BY TRANSFEREES

Sec. 827 Duties and responsibilities of transferees. Each transferee (see section 811 of this summary) who acquires cotton from the producer thereof must keep the same records and make the same reports which are required to be kept and made by buyers, with the exception of the buyer's special report (see section 826 of this summary), in every case in which the penalty is collected by the transferee, or in which any cotton in the seed is acquired, and in every other case the transferee must execute the applicable certificates which are necessary to enable the producer to keep the records and make the reports required of him.

D. RECORDS OF WAREHOUSEMEN AND OTHERS

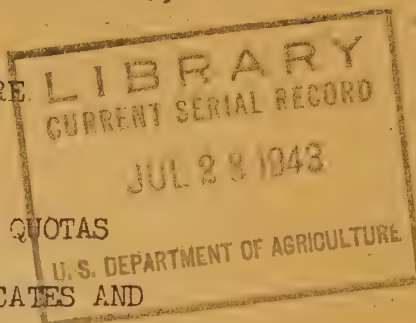
Sec. 828 Availability of records of warehousemen and others. The regulations require each warehouseman, processor, compressor, common carrier, or other person, as defined in section 373(a) of the Act, who buys, stores, compresses, transports as a common carrier, or otherwise deals with cotton from, for, or on behalf of the producer of the cotton, to make his records with respect to such cotton available to the Secretary of Agriculture or to his authorized representatives upon request. The records concerning the cotton are to be made available in order that the correctness of any record kept or report made pursuant to the regulations may be ascertained, or in order that the information required to be furnished, but not furnished, may be obtained.

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Cotton 708 - Part II

Issued June 7, 1943

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT AGENCY



INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS

PART II. ISSUING MARKETING CARDS AND CERTIFICATES AND
FARM OPERATOR'S REPORTS

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A. GENERAL

Section 201 Applicability of instructions. Part II of these instructions contains the procedure for issuing cotton marketing cards and certificates, and outlines the nature and use of certain forms, records, and files of the county committee in connection therewith. These instructions concern primarily the duties of the county committee and the treasurer of the county committee (herein referred to as the treasurer). Unless otherwise designated, each form mentioned herein is a "Cotton" form and each reference herein to a section is to a section of these instructions.

Sec. 202 Designation of farm serial numbers. The farm serial number referred to in the regulations and these instructions for any farm shall be the serial number assigned to the farm for the purposes of the agricultural conservation program.

Sec. 203 Receiving, storing, and disposing of marketing quota forms.

- (a) Transmittal of forms on Form 452. All serially numbered forms will be consigned to the county committee by the State office and each shipment thereof will be accompanied with the original and one copy of a letter of transmittal on Form 452. The treasurer shall ascertain the correctness of each shipment and shall, in the case of serially numbered forms, compare the serial number of the forms with the serial numbers shown on Form 452. If the serial numbers of forms or the number shipped are in error, the treasurer shall correct and initial the erroneous entry. The original Form 452 shall be signed by the treasurer as a receipt for the forms transmitted therewith and forwarded to the State office within five days from the date on which the forms are received.
- (b) Storage of forms. Serially numbered forms shall be filed together and so arranged that they will be issued or used in consecutive serial number order and will be accessible to examination by any representative of the Secretary of Agriculture or the War Food Administrator. Other forms, especially those designed for use in succeeding marketing years, should be stored in such manner that destruction and deterioration will be minimized and so arranged as to permit the supply at any time to be readily determined. It shall be the duty of the treasurer to account for the disposition of all serially numbered forms by recording the issuance thereof on the records maintained in the county office.
- (c) Disposing of forms. No cotton marketing quota forms shall be disposed of until and unless it has been determined by the State office that the forms considered for disposal are

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not needed in other counties in the State and by the Regional Director that they are not needed in other States. Any forms forwarded to another county office or to a State office shall be transmitted on Form 452 and the receipt for such forms shall be filed in the county office.

Sec. 204 Conditions under which marketing cards are issued. 1/
Cotton marketing cards are of two kinds; namely, white marketing cards and excess marketing cards (herein referred to as white card(s) and excess card(s)). The persons eligible to receive marketing cards are (1) producers and (2) persons who have on hand cotton produced by or for them in any prior year but who are not cotton producers during the current year. A marketing card for a producer is issued with respect to a farm and, in the event a producer has an interest as a cotton producer in more than one farm, separate marketing cards are issued with respect to the different farms. A person other than a producer is eligible to receive only an excess card for the specific cotton which the person has on hand from a previous crop. The conditions under which white cards are issued to producers and the conditions under which excess cards are issued to producers are mutually exclusive. The same producer is never eligible to receive marketing cards of both kinds. It may therefore be stated as a general rule that a producer who is not eligible to receive a white card is eligible to receive only an excess card. The conditions under which white cards shall not be issued to producers are as follow: 2/

1. No white card shall be issued to any producer on an overplanted farm.
2. No white card shall be issued to any producer on a farm in connection with which one or more producers have carry-over penalty cotton. 3/
3. No white card shall be issued to any producer on a farm on which no cotton is planted.

1/ The conditions under which marketing cards may be issued to farms on which Sea Island or American-Egyptian cotton is planted will be furnished by the State office upon request.

2/ A producer who would not otherwise be eligible to receive a white card may be issued a white card pursuant to the provisions of sub-part D hereof.

3/ The county committee, upon request, may issue a white card to any producer on an underplanted farm in connection with which one or more sharecroppers or share tenants have carry-over penalty cotton in the Commodity Credit Corporation loan, provided a white card is not issued to the producer(s) having carry-over penalty cotton.

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4. No white card shall be issued to any producer with respect to any farm in the county in which he has an interest as a cotton producer if he has an interest in an overplanted farm in the county or a farm in the county in connection with which he or any other producer has carry-over penalty cotton. However, unless conditions numbered 5 to 7 below are applicable, white cards may be issued to producers other than the multiple farm producers on any underplanted farm in the county in connection with which no producer has carry-over penalty cotton.
5. No white card shall be issued to any producer on an underplanted farm in the county in connection with which no producer has carry-over penalty cotton if (i) a producer thereon also has an interest as a cotton producer in an overplanted farm in the county or a farm in the county in connection with which he or any other producer has carry-over penalty cotton and (ii) the county committee determines that the issuance of an excess card to all of the producers is necessary to enforce the provisions of the Act.
6. No white card shall be issued to any producer with respect to any farm in the State in which he has an interest as a cotton producer if (i) he has an interest in an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and (ii) the county committees of the respective counties agree, or the State committee determines, that exception 4 above shall apply to him with respect to all farms in the State in which he has an interest.
7. No white card shall be issued to any of the producers on an underplanted farm in the State in connection with which no producer has carry-over penalty cotton if (i) a producer thereon also has an interest as a cotton producer in an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and (ii) the county committees of the respective counties agree, or the State committee determines, that exception 5 above shall apply with respect to all such farms in the State.
8. No white card shall be issued to any producer if the county committee determines that the issuance of an excess card rather than the issuance of a white card is necessary to enforce the provisions of the Act.

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9. No white card shall be issued to any producer on a new farm for which a cotton acreage allotment and normal yield per acre of lint cotton and marketing quota are not established because an application therefor was not made within the time limit prescribed.
10. No white card shall be issued to the producers on a farm for which the acreage of cotton of the current crop cannot be determined.

Sec. 205 Acreages of cotton.

- (a) Procedure for determining the acreage of cotton. For the purpose of the cotton marketing quota provisions, the acreage of cotton for each farm for which a cotton acreage allotment was established, or on which cotton was planted in the current year, or both, shall be determined in accordance with the established procedure of the Agricultural Adjustment Agency and a record of such acreages shall be kept among the records of the county office in accordance with the established procedure.
- (b) Preparation of Form 718 for overplanted farms. Upon notice from the State committee, Form 718 shall be executed as follows for all overplanted farms in the county:
 1. In the spaces indicated enter the names of the State and county, the sheet number, the total number of sheets in the report, and the marketing year.
 2. Enter the information and data for each farm on a separate line.
 3. In column A enter the farm serial number.
 4. In column B enter the name of the operator of the farm.
 5. In column C enter the cultivated (tilled) acreage determined for the farm.
 6. In column D enter the cotton acreage allotment established for the farm.
 7. In column E enter the acreage of cotton determined for the farm.

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8. In column F enter the farm normal cotton yield.
 9. Columns G, H, and I are reserved for use by the State office.
 10. The report shall be examined by the county committee and, if found to be correct, the last page thereof shall be dated and signed by a member of the committee on its behalf.
- (c) Preparation of Form 718 for underplanted farms with carry-over penalty cotton. Upon notice from the State committee, a separate Form 718 shall be marked "Carry-over penalty cotton" and executed, with the exception noted below, in accordance with the instructions contained in paragraph (b) above for underplanted farms in the county in connection with which any interested producer has carry-over penalty cotton on hand: In column C enter the total amount of carry-over penalty cotton on hand for all producers on the farm, as shown on Form 450 or 450-A for the current marketing year.
- (d) Distribution of Form 718. The distribution of Form 718 shall be as follows:
1. The original shall be mailed to the State committee.
 2. The copies shall be placed in a folder and kept as a permanent record in the county office.
- (e) Revision in amount of cotton acreage allotment or report of cotton acreage. If any revision is made in the amount of the cotton allotment for any farm or the report of the acreage planted to cotton is changed for any farm and the change or revision alters any figure previously reported on Form 718 or would result in classifying a farm previously reported as an underplanted farm as an overplanted farm, the change or revision shall be set forth in a letter to the State committee signed by a member of the county committee, a copy of the letter attached to Form 718, and the change or revision entered on the county office copies of Form 718. If there are numerous changes, a revised Form 718 shall be prepared and distributed as indicated in paragraphs (b), (c), and (d).

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Sec. 206 Determination of carry-over cotton.

- (a) Definition. There are two kinds of carry-over cotton; namely, carry-over penalty free cotton and carry-over penalty cotton. An amount of cotton which the producer has on hand at the beginning of the marketing year which is equal to or not in excess of the amount by which his producer marketing quota for the preceding marketing year exceeded the amount of cotton actually marketed by him in that marketing year is carry-over penalty free cotton. Any amount of cotton which the producer has on hand at the beginning of the marketing year which is in excess of the carry-over penalty free cotton which, if marketed during the preceding marketing year, would have been marketed subject to a penalty rate lower than the penalty rate applicable to cotton of the current crop will, as provided in Part IV of these instructions, be converted into an amount of carry-over penalty free cotton and an amount of carry-over penalty cotton at the penalty rate applicable to cotton of the current crop. The carry-over penalty free cotton resulting from the conversion and the carry-over penalty free cotton which the producer has on hand without the conversion shall be added together and thereafter will constitute the carry-over penalty free cotton which the producer has on hand. The amount of carry-over penalty cotton resulting from the conversion will constitute the carry-over penalty cotton which the producer has on hand.
- (b) Inspection. In each case where the producer has on hand carry-over penalty cotton or is otherwise not eligible to receive a white card, a representative of the county office shall determine the amount of carry-over cotton by actual inspection or by examination of warehouse receipts, loan agreements, or other documents evidencing title thereto, and shall make a memorandum in connection therewith showing the time of the inspection or examination, the place at which the cotton is stored, an identification of each bale, such as the gin bale number or mark, the weight of each bale, and the method employed in arriving at the weight of the cotton. The memorandum shall be filed in the folder for the farm. If an inspection of the cotton was made in connection with a farm operator's report for the preceding marketing year, an additional inspection is not required. The weight of each bale of such cotton shall be taken from the ginner's report or from warehouse receipts, loan agreements, or other documents evidencing

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title thereto, and the amount of lint in any seed cotton on hand shall be estimated. The weight of the bales as so determined shall not thereafter be changed or altered because of subsequent developments tending to show a different weight.

- (c) Multiple farm producers. In case a producer is engaged in the production of cotton on more than one farm and has carry-over cotton, he shall designate in writing one or more of such farms in connection with which the carry-over cotton is to be marketed and thereafter the designation of the farm for this purpose shall be final and not subject to change. In the event the producer fails or refuses to designate the farm or farms in connection with which the carry-over cotton will be marketed, the county committee shall designate the farm or farms for this purpose and the designation so made shall be final and conclusive unless, within fifteen days after the mailing of a notice of the designation to the producer, the producer designates in writing a different farm or farms in connection with which the carry-over cotton will be marketed. The designation, or notice of the designation, shall be filed in the folder for the farm. The amount of carry-over cotton for the farm shall be recorded on Form 450 or 450-A as provided in Part IV of these instructions.

Sec. 207 Multiple farms. A multiple farm producer shall not be issued either a white card or an excess card until it is determined whether any of the conditions enumerated in section 204 are applicable to any farm in the county in which he has an interest as a cotton producer. If conditions numbered 1, 2, 8, 9, and 10 are applicable to any one or more of the multiple farms, the multiple farm producer is not eligible to receive a white card for any farm in which he has an interest and the multiple farm producer and all other producers on the farms to which conditions numbered 1, 2, 8, 9, and 10 are applicable shall be issued excess cards with respect thereto. No marketing cards shall be issued to the multiple farm producer for a farm to which condition numbered 3 is applicable unless he designates carry-over penalty cotton to be marketed in connection therewith, in which event an excess card shall be issued to him for the farm. The county committee shall determine whether condition numbered 4 or condition numbered 5 shall be applied to any farm to which conditions numbered 1, 2, 8, 9, and 10 are not applicable. If condition numbered 4 is applicable, the producers on the farm, other than the multiple farm producer, may receive white cards if they are otherwise eligible and no marketing card shall be issued to the multiple farm producer for the farm unless at his request an excess card is issued to him for

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the farm. If condition numbered 6 is applicable, excess cards shall be issued to or for the multiple farm producer and all other producers on the farm. Condition numbered 4 should be applied if the multiple farm producer does not participate directly in the management or control of the farm and receives merely a proportionate share of the cotton produced thereon or the proceeds of a proportionate share therein. Condition numbered 6 should be applied in all other cases. Condition numbered 5 or condition numbered 7 shall be applied in lieu of condition numbered 4 or condition numbered 6, respectively, when the farms in which the multiple farm producer has an interest are in adjoining counties or different counties and the county boundary lines are inadequate guides in separating the activities of the producer with respect to the farms insofar as the marketing quota provisions are concerned.

Sec. 208 Producers to whom excess cards rather than white cards are issued to enforce the Act. Whenever the county committee finds or has reason to believe that any white card to be issued to a producer might be used inadvertently or by design to prevent the proper identification of cotton at the time it is marketed as subject to or not subject to marketing penalties, the county committee may, in accordance with condition numbered 8 of section 204, issue an excess card to the producer instead of a white card. This condition applies, for instance, but not exclusively, to cases where (1) a producer apparently used a white card for a previous marketing year to identify cotton which would otherwise have been marketed subject to penalty by another producer or himself, or otherwise used the white card so issued in an attempt to evade the provisions of the Act or the regulations for the marketing year, or (2) a producer who would otherwise be eligible to receive a white card is so closely connected with or related to a producer on an overplanted farm or who has carry-over penalty cotton that the issuance of an excess card to both producers in view of their connection is necessary in order to enforce the provisions of the Act. Any determination made by the county committee under this section shall be in writing and a copy of it shall be filed in the folder for the farm.

Sec. 209 Instructions to buyers in connection with marketing cards and certificates. Under no circumstances shall the county committee furnish persons engaged in the business of buying cotton in the county a list or memorandum of the serial numbers of marketing cards issued to producers or a list or memorandum of the serial numbers of farms ineligible to receive white cards. Prior to the beginning of the marketing season in each county, the county committee or the State committee shall mail or deliver to each buyer in the county or in the State a copy of Part VIII of these instructions, a sample copy of

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Form 520, a book of five sets of Form 530, and a letter of explanation. The letter of explanation should state briefly the duties of the buyer under the regulations by directing his attention to the following items:

1. That, on the records ordinarily kept by him, he is required to keep a record of the information specified in section 802(b) of the regulations (indicated by the columnar headings of Form 520) and that, although Form 520 will be furnished to him for the purpose of keeping the records if he so requests, it is preferred that he keep the required records as a part of his regular record-keeping system.
2. That he should examine the marketing card issued to the producer or person whenever he buys cotton and enter the marketing card serial number on the records required to be kept pursuant to section 802(b) of the regulations.
3. That, if the producer or person does not present a marketing card when the cotton is marketed, he must make a report on Form 530 in connection with the transaction and remit the penalty on the cotton, and that additional sets of Form 530 for this purpose will be mailed or delivered to him by the county committee at his request.
4. That, if the marketing card or certificate serial number does not appear on the records required to be kept pursuant to section 802(b) of the regulations, it shall be presumed that the cotton was not identified by a marketing card or certificate when he purchased it.

Sec. 210 Issuing Forms 530. Forms 530 will be issued to buyers to be used by them in making reports on cotton not identified when marketed by a marketing card or certificate. The full mail address of the treasurer shall be stamped on the address side of each postal card copy of Form 530 before it is issued to a buyer, and a record of the issuance of each book of Forms 530 shall be kept on form MQ-2 prepared as follows:

1. In the spaces provided enter the State and county code numbers, the marketing year, and, following the word "Forms," the legend "Cotton 530."
2. In column B enter the name of the buyer and his address.

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3. In column C enter the serial number of the first Form 530 in the book to be issued to the buyer, followed by a hyphen and the last digit of the serial number of the last Form 530 in the book.
4. It is not necessary for the buyer to sign a receipt for the Forms 530.

Sec. 211 Designation of issuing officer to sign marketing cards. The county committee may designate an employee of the county committee to sign marketing cards or certificates on its behalf as issuing officer. Such designation shall be in writing and signed by at least two members of the county committee. Except under unusual conditions, the person designated as issuing officer shall be the treasurer of the county committee. The fact that an issuing officer has been designated does not relieve the county committee of any responsibility imposed upon it by the regulations or act to prevent any member thereof signing marketing cards or certificates for the committee.

B. WHITE MARKETING CARDS

Sec. 212 Issuing white cards.

- (a) Allocation of white cards on form MQ-2. White cards shall be allocated on form MQ-2 to the operator of each farm in the county for which a cotton acreage allotment has been established. Form MQ-2 shall be prepared as follows:
 1. Form MQ-2 shall be prepared in the original only.
 2. In the spaces indicated enter the State and county code numbers, the marketing year, and, following the word "Forms," the word "Cotton," and the number designating the form.
 3. The information and data for each farm for which a cotton acreage allotment was established shall be entered in the numerical order of the farm serial numbers within the county. In the Western Region, list the farms alphabetically by farm operators.
 4. In column A enter the serial number of the farm.
 5. In column B enter the name of the operator of the farm. In the Western Region, enter below the name of the farm operator the name of each producer on the farm.

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6. In column C enter in the numerical order the serial numbers of the white cards, beginning with the first serial number of the white cards consigned to the county.
 7. Columns E, F, and G will be executed in accordance with State office instructions.
 8. Forms MQ-2 shall be placed in a binder and retained in the county office.
- (b) Preparation of white cards. Upon completing the allocation, as outlined above, the white card for each farm shall be prepared by entering in the spaces provided the following:
1. The names of the State and county and the farm serial number.
 2. The name and full mail address of the operator of the farm.
 3. The word "Same" in the space provided for the name and address of the producer to whom issued.
 4. The white card shall not be executed, that is, signed at this time.
- (c) Filing white cards prior to execution and delivery. White cards prepared in accordance with the foregoing instructions should be filed in farm serial number order so that they may be readily available for execution and delivery when it has been determined that the operator of the farm for which such forms have been prepared is eligible to receive a white card.
- (d) Execution of white cards. After it has been determined that the operator of a farm is eligible to receive a white card, the card allocated to the operator, as provided in paragraph (a) of this section, for each farm in which he has an interest shall be executed by the issuing officer signing the card in the spaces thereon and entering the date of his signature.
- (e) Allocation of white cards to producers other than the farm operator. A white card shall be issued to each producer, other than a farm operator, who is eligible to receive a white card and requests that one be issued to him, unless the county committee determines that the issuance of a

white card to him will not serve a useful purpose. A record of each card to be so issued shall be kept on form MQ-2 prepared, with the exceptions noted below, in accordance with the instructions contained in paragraph (a) above.

1. In the spaces provided enter the State and county code numbers, the marketing year, and, after the word "Forms," the word "Cotton," the number designating the form, and the words "issued to producers."
 2. List the information for all producers on a particular farm on consecutive lines insofar as practicable.
- (f) Preparation and execution of white cards allocated to producers other than the farm operator. Enter on white cards allocated to producers other than the farm operator the same information required to be entered on white cards allocated to the operator except that, instead of the word "Same," the name of the producer to whom issued shall be entered in the space provided. The white cards so prepared shall be executed by an issuing officer signing the card and entering the date of his signature.
- (g) Delivery of white cards. White cards shall be delivered in the following manner:
1. Delivery by mail. White cards shall be mailed to producers unless personal delivery can be arranged without causing the producer to travel to the county office or to a meeting for the sole purpose of obtaining the card. It will not be necessary to send white cards by registered mail, but the address side of the envelope should be stamped or typed to indicate that a marketing card is enclosed. The marketing card should be accompanied with a letter prepared in the county office similar to the following form:

Dear Producer: _____ Farm Serial No. _____

Your Cotton Marketing Card is enclosed. This card will enable you to market free of penalty all cotton owned by producers on the farm identified by the serial number entered thereon. Please sign the card

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promptly and place it with other cards or papers you carry at all times.

All cotton which is not identified at the time of sale as free of penalty must be taken to be excess cotton and subject to the penalty. It is for your protection, as well as for the protection of the buyer, that we urge you to use this card properly.

It is also important that you assist your ginner in reporting the correct farm serial number on his reports of cotton ginned. You can do this by taking this letter, your marketing card, or any other AAA form showing your farm serial number to the gin whenever you gin a bale of cotton. If you are growing cotton on more than one farm, be sure the ginner credits the cotton to the correct farm.

The records of cotton ginned are important in determining the yield for your farm which is used in connection with all phases of the agricultural programs for cotton. For this reason, we are asking you to keep your copy of each gin bale ticket, receipt, or report until the end of the ginning season, at which time you will be requested to verify our record of the cotton production for your farm.

Chairman, _____
County Agricultural Conservation
Committee.

2. Personal delivery. If a white card is not delivered by mail, it should be delivered directly to the producer. White cards may also be delivered or mailed upon request to the agent of a producer in cases where (1) the producer is a corporation or other legal entity, (2) the producer is a natural person whose business is customarily handled by an agent, and (3) the requirement that the producer call for and receive the white card would impose an unreasonable hardship upon him and delivery of the white card by mail cannot be accomplished.
3. Record of delivery. The date of delivery, whether by mail or in person, shall be entered in column D, form MQ-2.

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(h) Issuing Form 411-A. Form 411-A shall, upon request of the producer, be issued by the county committee to any producer to whom a white card was issued who desires to market cotton by telephone, telegraph, letter, or by any means or method other than directly to and in the presence of the buyer or transferee. A record of Form 411-A shall be kept on form MQ-2 as follows:

1. In the spaces provided enter the State and county code numbers, the marketing year, and, following the word "Forms," the legend "Cotton 411-A."
2. In column A enter the serial number of the farm.
3. In column B enter the name of the operator or producer.
4. In column C enter the serial number of the first Form 411-A in a book issued to the producer, followed by a hyphen and the last digit of the serial number of the last Form 411-A in the book. If the producer states that the number of marketings requiring a Form 411-A will be less than five, the number needed may be removed from the book and issued to him.
5. In column H enter the serial number of the white card issued to the operator or producer.
6. In the space indicated on each Form 411-A there shall be entered (1) the names of the State and county and the code numbers thereof, (2) the serial number of the farm with respect to which Form 411-A is issued, (3) the serial number of the white card issued to the producer, (4) the marketing year, (5) the name and full mail address of the operator or producer to whom the Form 411-A is issued, and (6) on the address side of each Form 411-A-b, beneath the words "Treasurer of the County Agricultural Conservation Committee," the full mail address of the treasurer.
7. If a complete book is issued to a producer, in item 3(a) of the instructions printed on the reverse side of the front cover of the book the figure "22" shall be deleted and the figure "21" inserted and the figure "19" shall be deleted and the figure "20" inserted.

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8. The county committee shall examine form MQ-2 and each Form 411-A and, if found to be correct, its approval thereof shall be indicated by the issuing officer signing his name on each Form 411-A in the space indicated and entering the date on which it was issued.
 9. The county committee shall explain to the producer the entries to be made by him in Part II.
 10. The producer shall give a receipt (in memorandum form) for Form 411-A.
- (i) Lost, destroyed, or stolen white cards or Forms 411-A. In case any white card or Form 411-A is lost, destroyed, or stolen, the county committee may reissue such forms to the producer in accordance with the regulations. A copy of the notices of cancelation, other correspondence, and a memorandum of any findings of the county committee in connection with the loss, destruction, or theft of such forms shall be filed in a folder prepared for that purpose. In case a lost, destroyed, or stolen white card or Form 411-A is to be replaced, the white card or Form 411-A shall be listed on the appropriate form MQ-2 for issuance in accordance with the procedure contained in the foregoing paragraphs of this section, except that:
1. The word "Duplicate" shall be stamped across the face of the newly issued white card or Form 411-A.
 2. The word "Lost," "Destroyed," or "Stolen" shall be entered in column H of form MQ-2 opposite the entry showing the issuance of the duplicate white card for Form 411-A.
 3. The words "Canceled-Lost," "Canceled-Destroyed," or "Canceled-Stolen" shall be entered in column H of form MQ-2 opposite the serial number of the lost, destroyed, or stolen white card or Form 411-A.
- (j) Cancellation of white cards or Forms 411-A issued in error. In case any white card or Form 411-A is erroneously issued, the county committee shall cancel it in accordance with the regulations. A copy of the notices of cancelation, other correspondence, and a memorandum of any findings of the county committee in connection with its cancelation shall be filed in a folder prepared for that purpose. The word "Canceled" shall be entered in column H of form MQ-2 opposite the serial number of the canceled white card or Form 411-A. The word "Canceled" shall be entered across the white card or Form 411-A that is canceled.

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C. EXCESS MARKETING CARDS

Sec. 213 Issuing excess cards.

- (a) Conditions precedent. An excess card shall not be issued to any person other than a producer unless and until it is determined that he has carry-over cotton. An excess card shall not be issued to any producer for a farm on which cotton is not planted unless and until carry-over cotton is designated to be marketed in connection therewith. When it is determined, in accordance with sections 204 through 208, that the producers on a farm on which cotton is planted are not eligible to receive white cards, an excess card shall be issued to each producer on the farm, subject to the following conditions:
1. The amount of carry-over cotton to be marketed in connection with the farm must be determined, if possible.
 2. Form 450 or 450-A must be prepared in accordance with Part IV of these instructions and the initial producer marketing quotas must be determined.
 3. The intention of the producers to appoint or not to appoint the farm operator to receive a single excess card for the farm in trust for all producers thereon must be determined.
- (b) Appointment of farm operator to receive excess card in trust for all producers. A single excess card for the entire amount of the farm marketing quota may be issued to the farm operator in trust for all producers on the farm if the producers and the operator execute an agreement to that effect on Form 524 and file it with the county committee. The agreement on Form 524 shall not be recognized if (1) any producer on the farm failed or refused to enter into the agreement and execute Form 524, (2) the acreage of cotton for the farm cannot be determined, (3) the issuance of a single excess card to the operator for all producers would be inconsistent with the marketing practices followed on the farm, or (4) it is indicated that the excess card issued to the operator would not be used properly for each producer or that the rights of any producer would be prejudiced. The county committee should explain to the farm operator, prior to its acceptance of the agreement, the liability of the farm operator under the regulations for penalties which are incurred in connection with the farm.

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- (c) Cancellation of white cards allocated to the farm. When it is determined that excess cards will be issued to the producers on a farm, the white card allocated to the farm operator under section 212(a) shall be marked "Void," removed from the file of white cards established under section 212(d), and placed in a separate file. The number of the condition enumerated in section 204 which is applicable to the farm or producer shall be entered in column H, form MQ-2, on the line on which the white card serial number appears.
- (d) Record of issuance on Form 450 or 450-A. Each excess card prepared for issuance shall be recorded on the Form 450 or 450-A prepared for the farm as follows:
1. On line (a), column 36, Form 450, opposite the name of the producer (entered pursuant to Part IV of these instructions) enter the printed serial number of the first certificate accompanying the excess card. On line (b) in column 36 opposite the producer's name, enter the serial number of the excess card issued to the producer.
 2. In the heading of column 1, Form 450-A, enter the words "Marketing Card No." and the serial number of the excess card issued to the producer.
- (e) Preparation of excess cards. Each excess card shall be prepared as follows:
1. In the space indicated print the name and full mail address of the producer or other person to whom the excess card will be issued.
 2. In the space for the name and address of the farm operator enter the word "Same" or, if the card is issued to a producer other than the operator, enter the name and full mail address of the operator.
 3. In the space indicated enter the names of the State and county.
 4. In the space indicated enter a brief description of the farm if the producer for whom the card is to be issued has an interest in more than one farm or if the county committee determines that a description of the farm is necessary.
 5. In the space indicated enter the farm serial number.

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6. In the blank space following the words "Penalty Free Amount" enter in words the following:
 - a. If the excess card is to be issued to a producer with respect to a farm for which a farm acreage allotment and marketing quota were established, enter the sum of the amounts in columns 3 and 4 of Form 450 or 450-A for the producer, as, for example, "Two thousand." If the excess card is to be issued to the operator in trust for all producers on the farm, enter the sum of the amounts on line 11, columns 3 and 4 of Form 450, or on line 4, columns 3 and 4 of Form 450-A.
 - b. If the excess card is to be issued to a person who is not located on a farm or who is located on a farm for which no cotton acreage allotment was established, enter the number of pounds of his carry-over penalty free cotton not pledged to secure a Commodity Credit Corporation loan or, if he has no carry-over penalty free cotton, enter the word "None."
 - c. If the excess card is to be issued to a producer with respect to a new cotton farm for which a farm acreage allotment and marketing quota were not established, enter the word "None" or, if the producer has carry-over penalty free cotton, the amount of carry-over penalty free cotton which the producer has on hand which is not pledged to secure a Commodity Credit Corporation loan.
7. In the parentheses preceding the word "pounds" enter in figures the amount entered pursuant to item 3 above, as, for example, "2000," or, if the word "None" was entered, the word "Zero" shall be entered in the parentheses.
- (f) Preparation of certificates accompanying excess cards. Excess card certificates shall be prepared as follows:
 1. All entries which are to be made in the county office shall be made with indelible pencil.
 2. In the spaces indicated enter on each certificate (1) the farm serial number, (2) the names of the State and county and the code numbers thereof, and (3) the name and full mail address of the producer to whom issued.

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3. In item 2 of the first set of certificates in each book enter the amount of the marketing quota which is shown on the excess card which accompanies the book of certificates.
 4. On the address side of each postal card copy of the certificates stamp the full mail address of the treasurer beneath the words "Treasurer of County Agricultural Conservation Committee."
 5. In item 6 of each set of the certificates enter in the blank space provided within the parentheses the rate of the penalty applicable to cotton of the current crop and, likewise, enter the rate in section III, 1-(e) of the instructions printed on the cover of the book.
- (g) Preparation of Forms 717. A Form 717 shall be prepared and issued to the operator of each farm for which excess cards are issued. The Form 717 shall be prepared in the county office, prior to the time it is delivered to the farm operator, as follows:
1. In the spaces provided in the heading enter (1) the farm serial number, (2) the names of the State and county, (3) the name of the farm operator, (4) the marketing year, and (5) the date set by the State committee as the final date for submission of the report.
 2. In the titles of Parts II and III enter the current calendar year designation.
 3. If the producers on the farm have carry-over cotton, the county office should offer to assist the farm operator in the execution of columns A, B, and C, Part I of the form, at the time it is delivered to him.
- (h) Execution of excess cards. The county committee shall examine each excess card, the accompanying certificates, and the Form 717 and, if found to be correct, the issuing officer shall sign the date the excess card in the spaces provided.
- (i) Delivery of excess cards. Excess cards shall be delivered in the following manner:
1. Delivery by mail. When it has been determined that an excess card shall be issued for a farm, the farm operator

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operator shall be notified that he and other producers on the farm may call for their cards or that upon request the cards will be mailed. He should also be advised that upon the execution of an agreement by the producers on Form 524 (a copy of which should be enclosed with the letter) one excess card may be issued to him for the farm. Excess cards shall be forwarded by registered mail, return receipt requested, accompanied with Form 717 (and a Form 417-A, if necessary) and a letter explaining the purpose, execution, and submission of Form 717, explaining that the excess card is to be used to identify the cotton marketed from the farm and cautioning the producer to sign his name immediately in the space provided, and enter the date in order to prevent improper use of the card. If the county committee determines that the farm is a one-producer unit or that only one person is interested in the production of the cotton, the excess card may be mailed without request. If a producer refuses to accept an excess card forwarded by registered mail, the county committee should attempt to deliver the card personally. A record of delivery by mail shall be made by entering in column 35, Form 450, or in column 1, Form 450-A, immediately below the name of the producer, the date of mailing and the serial number of the registry receipt.

2. Personal delivery. Excess cards which are not mailed should be delivered directly to the person to whom issued. An excess card may also be delivered or mailed to an agent of the producer under the circumstances outlined in item 2 of section 212(g). The person whose name appears on the excess card, or his agent, shall receipt therefor by signing his name in column 35, Form 450, or column 1, Form 450-A, in the space immediately below his printed name. The date of his signature should be entered immediately thereafter. Each person shall, upon receiving an excess card, sign his name (in the style shown therein) and enter the date of signing in the spaces provided. An excess card delivered to a farm operator, or his agent, shall be accompanied with Form 717. When the excess card and Form 717 are delivered to the farm operator, or his agent, a member of the county committee or an employee of the county office should explain that the execution and return of the form is required, that the information reported by the operator will be compared with the reports of ginners and buyers as to production and marketings for

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the purpose of determining the accuracy of the county office records, and that his cooperation in keeping the required records and the submission thereof will assist the county committee in determining refunds, if any, to be made and in establishing the normal yield for the farm for programs in subsequent years.

3. Form 417-A. If it appears, at the time excess cards and Forms 717 are mailed or delivered, that cotton produced on the farm or on hand in connection with the farm will be processed and marketed as an article of trade, the county committee shall deliver to the producer a Form 417-A, which shall be prepared by entering in the spaces provided the serial number of the farm, the names of the State and county, the name of the farm operator, and the marketing year. The purpose, execution, and submission of the report should be thoroughly explained to the producer and the fact that the form has been issued should be indicated to the left of the producer's name on Form 450 or 450-A in order that on the date set by the State committee as the final date for the submission of reports or at the end of the marketing year it may be readily determined whether the report has been filed.
- (j) Issuing additional excess cards and increasing the amount of quota shown thereon. An additional excess card will be issued to a producer when (1) the number of transactions in which he markets cotton will be in excess of the number of sets of certificates contained in the book accompanying the card, (2) his producer marketing quota is increased or, in the case of an operator to whom an excess card was issued for all producers, the farm marketing quota is increased, or (3) he desires to market carry-over penalty free cotton which was pledged to secure a Commodity Credit Corporation loan. Additional excess cards shall be prepared, executed, and delivered as otherwise provided in the foregoing paragraphs of this section, with the following exceptions:
 1. The entries to be made on the card shall be whichever of the following is applicable:
 - a. In case the farm marketing quota is not increased and an excess card is issued to provide additional certificates, the number of pounds to be shown thereon shall be the same as that shown in Parts 1

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and 2 of the card previously issued to the producer.

- b. In case an excess card is issued in connection with carry-over penalty free cotton withdrawn from the Commodity Credit Corporation loan, the number of pounds to be shown thereon shall be the amount of the carry-over penalty free cotton which is being withdrawn from the loan.
- c. In case the farm or producer marketing quota was increased, any additional excess card issued in connection therewith shall be marked "Additional," and the number of pounds to be shown in Part 1 of the additional card or in Part 2 of a card previously issued to a producer shall be determined as follows:
 - (i) In the case of a first intermediate reapportionment the increased amount shall be the amount shown opposite the producer's name in column 12 of Form 450 or column 10 of Form 450-A. If an excess card was issued in trust to the farm operator, the increased amount shall be the amount on line 11, column 12, Form 450 or on line 4, column 10, Form 450-A.
 - (ii) In the case of a second intermediate reapportionment the increased amount shall be the amount shown opposite the producer's name in column 16 of Form 450 or column 11 of Form 450-A. If an excess card was issued in trust to the farm operator, the increased amount shall be the amount on line 11, column 16, Form 450 or on line 4, column 11, Form 450-A.
 - (iii) In the case of a final reapportionment where Form 450 was used the increased amount shall be the amount shown opposite the producer's name in column 26 or, if an excess card was issued in trust to the farm operator, the amount on line 11, column 26.
 - (iv) In the case of a final reapportionment where Form 450-A was used the increased amount for each producer shall be the amount by which the sum of the entries in columns 12 and 14 exceeds the sum of the entries in columns 3, 10, and 11. If an

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Excess card was issued in trust to the farm operator, the increased amount shall be the amount by which the sum of the entries on line 4 of columns 12 and 14 exceeds the sum of the entries on line 4 of columns 3, 10, and 11.

- (v) If, as a result of the reapportionment of the producer marketing quotas or an increase in the farm marketing quota, a refund was or will be made pursuant to the regulations, the increase in the producer marketing quota or farm marketing quota shall be issued on the excess card only for the amount by which the poundage on which a refund was or will be made is less than the amount by which the producer marketing quota or farm marketing quota is increased.
 - (vi) If, at the time of an intermediate or final reapportionment, a producer has marketed all cotton produced by or for him, the amount by which the producer marketing quota was increased shall not be issued on the excess card. If all cotton was not marketed, excess cards for the amount by which the producer marketing quota or the farm marketing quota, as the case may be, was increased shall be issued only to the extent of the unmarketed cotton.
2. The entries to be made on the certificate accompanying the excess card shall be whichever of the following is applicable:
- a. In case the farm marketing quota is not increased and an excess card is issued to provide additional certificates, the amount to be entered in item 2 of the first set of the certificates in the new book shall be the unused portion, if any, of the marketing quota as shown on the last certificate contained in the book previously issued or, if there is no unused marketing quota, the word "None" shall be entered.
 - b. In case an excess card is issued in connection with carry-over penalty free cotton withdrawn from a Commodity Credit Corporation loan, the number of pounds to be shown in item 2 of the first set of

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certificates accompanying the card shall be the amount shown on the additional card.

- c. In case the farm marketing quota is increased and the increased amount of the quota is entered in Part 2 of the excess card previously issued, the word "Additional" shall be entered in the heading of the first unused certificate accompanying the card and the amount of the increase as shown in Part 2 of the card, plus the unused portion, if any, of the quota for which the card was originally issued, shall be entered in item 2 thereof. Such entries must be initialed by the issuing officer.
- d. In case the farm marketing quota is increased and the increased amount of the quota is entered on an additional excess card, the amount of the farm or producer quota as shown on the additional card shall be entered in item 2 of the first set of certificates accompanying the card.
- (k) Decreasing the marketing quota shown on excess cards and certificates. If the producer marketing quota of any producer to whom an excess card was issued is decreased as a result of the apportionment or reapportionment of the farm marketing quota, the county committee shall alter the card previously issued to such producer by striking through the amount of the producer marketing quota previously entered thereon and by entering the amount of the decreased producer marketing quota above the previous entry. In item 2 of the first set of unused certificates accompanying the card the county committee shall enter the unused portion, if any, of the decreased producer marketing quota determined by subtracting the sum of the entries in item 3 of the certificate last executed from the amount of the producer marketing quota as decreased. If there is no unused amount of the decreased producer marketing quota, the word "None" shall be entered in item 2 of the first set of unused certificates. The entries so made shall be signed or initialed by a member of the county committee. If such producer fails or refuses to have the excess cards and accompanying certificates so altered, the county committee shall cancel them in accordance with the regulations.
- (1) Lost, destroyed, or stolen excess cards. In case any excess card and the accompanying certificates are lost, destroyed, or stolen, the county committee may reissue such forms to

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the producer in accordance with the regulations. A copy of the notice of cancelation, other correspondence, and a memorandum of any findings of the county committee in connection with the loss, destruction, or theft of such forms shall be filed in the folder for the farm. The excess card and the book of certificates shall be reissued in accordance with the procedure contained in the foregoing paragraphs of this section, with the following exceptions:

1. The amount of the producer marketing quota or farm marketing quota, as the case may be, entered on the new excess card shall be the same as that shown on the lost, destroyed, or stolen card, and the word "Duplicate" shall be stamped across the face thereof.
 2. In item 2 of the first set of certificates in the new book enter the unused portion, if any, of the marketing quota entered on the excess card. If there is no unused marketing quota, the word "None" shall be entered in item 2 of the first set of certificates in the new book. In determining the amount of the unused portion of the marketing quota the county committee shall take into consideration the amount of cotton ginned and marketed by the producer together with any additional information which may be required.
 3. Enter the word "Lost," "Destroyed," or "Stolen" opposite the entry on the Form 450 or 450-A showing the issuance of the excess card and the serial number of the duplicate card.
- (m) Cancelation of excess cards issued in error. In case any excess card is erroneously issued, the county committee shall cancel it in accordance with the regulations. A copy of the notice of cancelation, other correspondence, and a memorandum of any findings of the county committee in connection with its cancelation shall be filed in the folder for the farm. The word "Canceled" shall be entered on Form 450 or 450-A opposite the serial number of the canceled card. The word "Canceled" shall be entered across the excess card and each certificate accompanying it.

D. ISSUING WHITE MARKETING CARDS UNDER SPECIAL
CONDITIONS FOR FARMS ELIGIBLE TO RECEIVE EXCESS MARKETING CARDS

Sec. 214 Penalties secured by bonds, money held in escrow, or warehouse receipts.

- (a) Conditions precedent. The operator of each overplanted farm

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for which it is estimated that a penalty will be incurred, of each farm on which one or more producers have carry-over cotton, or of each farm for which excess cards would be issued because of long staple cotton should be advised by letter or otherwise of the following conditions under which he can become eligible to receive a white card in lieu of an excess card:

1. Bond of indemnity or funds in escrow. For multiple farm operators or producers, a separate bond or funds must be tendered for each farm. The bond or funds must be tendered before any cotton is marketed from the farm. The county committee and the State committee reserve the right to not accept any bond or funds if either determines that the acceptance thereof is not justifiable, is not tendered in good faith, is tendered with the intention of evasion or fraud, or that they are not adequate to secure payment of the penalties. A bond or funds shall not be accepted if excess cards are or will be issued to enforce the provisions of the Act. (Exception 8, section 204.)
 2. Warehouse receipts. The producers on a farm may store an amount of cotton equal to or greater than the estimated excess production and deposit with the county committee negotiable or non-negotiable warehouse receipts covering the amount of cotton so stored. A warehouse receipt shall be accepted only upon the condition that the producers by or for whom the cotton is stored shall be liable for all charges incident to the storage of the cotton. For multiple farm operators or producers, the estimated penalty determined in connection with each farm must be secured by the deposit of warehouse receipts or otherwise. Warehouse receipts shall not be accepted if excess cards are or will be issued to enforce the provisions of the Act. (Exception 8, section 204.)
- (b) Qualifications of the principal under bond of indemnity or the person who deposits funds in escrow. The principal under bond of indemnity or the person who tenders funds to be held in escrow must be the owner or operator of the farm. In the case of a bond, he must be of good character and reputation in the community in which he resides and, in the opinion of the county committee, financially able to answer for the amount of the penalties. The county committee must explain to him the fact that the bond is to be given only for the purpose of deferring the collection of the penalty until the time for

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filing the farm operator's report on Form 717 and that, if he does not forthwith pay the penalties at that time, the sureties will be required to pay the amounts incurred.

- (c) Qualifications of sureties. Each surety under a bond of indemnity shall be an owner of unencumbered real property situated within the county which is not exempt from execution and, in addition, shall, in the opinion of the county committee, be financially able to answer for the amount of the penalties. In considering whether the surety is financially able to answer for the amount of the penalties, the county committee should determine whether he is or will be eligible to receive payments under the various programs. It is not essential that he be eligible to receive such payments but, if he is not eligible, his financial position should be examined with even greater care. Neither a producer on the farm nor an employee of the county agricultural conservation association nor a member of the county or community committee nor the secretary or treasurer of the county committee may be a surety. The county committee must explain to each surety that the penalties incurred must be paid within fifteen days after all cotton is marketed and that, if all cotton is not marketed on or before the date set by the State committee as the final date for the submission of reports, the penalties incurred as of that date must be paid on that date, either by the surety or by the principal. It must also be explained that if all cotton is not marketed by the end of the marketing year, the penalties will likewise be due and payable on that date on the excess marketed as of that time.
- (d) Estimating the penalty to be secured. The county committee shall estimate the yield of the cotton crop, giving careful consideration to the farm normal yield, general crop conditions in the community, and any statements made by the producer as to the probable yield. The number of pounds of estimated excess production shall be the result obtained by subtracting from the total estimated production of both long and short staple varieties the amount of the estimated, actual, or normal production of the farm acreage allotment. The amount of the bond or funds in escrow shall not be less than the amount determined by multiplying the number of pounds of estimated excess production, plus the number of pounds of carry-over penalty cotton designated to be marketed in connection with the farm, by the current rate of the marketing penalty. The number of pounds covered by warehouse receipts deposited with the county committee shall not be less than

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the number of pounds of the estimated excess production plus the number of pounds of carry-over penalty cotton designated to be marketed in connection with the farm. If the farm is an underplanted farm, only the carry-over penalty cotton shall be considered in estimating the penalty or the amount to be covered by warehouse receipts. In each case the estimated amount of the penalty should be high enough to afford protection against errors in estimating production and to provide for unforeseen contingencies but at the same time must be fair and reasonable. A memorandum or, if complete, a copy of the letter or other form referred to in paragraph (d) of this section showing the basis for determining the amount of the estimated excess production shall be prepared, signed by the member of the county committee who conducted or supervised all investigations, discussions, or determinations in connection with the amount of the estimated excess production, and filed in the farm folder.

- (e) Placing funds in escrow. Any funds delivered by the owner or operator of the farm to be held in escrow shall be only in legal tender or in the form of a cashier's check or money order drawn payable to the order of the Treasurer of the United States. The funds so received shall be handled as outlined in Part V of these instructions.
- (f) Execution of bond. The county committee shall verify the sufficiency and form of the bond of indemnity (Form 623) and indicate its approval thereof when prepared as follows:
 - 1. In the spaces provided enter the State and county code, farm serial number, and marketing year.
 - 2. Determine that, in the spaces provided,
 - a. The name of the owner or operator of the farm appears as principal;
 - b. The names of the State and county are entered;
 - c. The names of the two sureties are entered;
 - d. The amount of the principal sum entered is not less than the estimated amount of the penalty to be incurred;
 - e. The date and place of execution are properly shown;

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- f. The signatures and addresses of the principal and two sureties appear thereon and agree with the names entered in the body of the bond;
 - g. The signature and addresses of the principal and two sureties were witnessed by two disinterested persons who entered their signatures and addresses in the spaces provided;
 - h. The "Justification of Sureties" has been completed and executed and acknowledged before a proper officer.
- 3. If the county committee finds that the bond has been properly executed and that, to the best of its knowledge and belief, the sureties are good and sufficient and the principal is qualified, the "Certificate of County Committee" shall be executed by a member of the committee.
- 4. The original shall be delivered to the treasurer, one copy retained by the principal, and one copy retained by each of the sureties.
- (g) Depositing warehouse receipts. Warehouse receipts tendered to secure payment of the penalty shall be handled as follows:
 - 1. The producer shall be given a receipt therefor on a typed or mimeographed form executed in duplicate to show,
 - a. The name and address of the producer;
 - b. The State and county code numbers and the serial number of the farm for which the penalty is so secured;
 - c. The serial number of the warehouse receipt and whether it is negotiable or non-negotiable;
 - d. The name and address of the warehouse which issued the receipt;
 - e. The date the warehouse receipt was received by the treasurer;
 - f. The number of net pounds of cotton covered by the warehouse receipt;
 - g. The signature and title of the treasurer.

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2. The original of the receipt shall be delivered to the producer and the copy attached to the warehouse receipt.
 3. The treasurer shall keep the warehouse receipt in a safe place, preferably in a safe, vault, or safety deposit box. Negotiable receipts should not be endorsed by the producer.
 4. In the case of non-negotiable warehouse receipts the producer and the treasurer shall notify the warehouseman in writing that the receipt has been so deposited and that delivery of the cotton covered thereby is not to be made to any person until the receipt has been released. The notice shall set forth an adequate description of the warehouse receipt and be signed by both the treasurer and the producer. A copy of such notice shall be filed in the farm folder.
- (h) Cancellation of excess cards previously issued. If excess cards were issued to producers on the farm prior to the execution of the bond, the deposit of the funds to be held in escrow, or the deposit of the warehouse receipts, the excess cards must be returned to the county committee prior to the time the white cards for the farm are issued. Each excess card shall be canceled by stamping across the face thereof in bold letters the word "Canceled" and the same word shall be so stamped or endorsed on each set of certificates in the book accompanying it. On Form 450 or 450-A, to the left of the name of the producer, enter the word(s) "Bond," "Escrow," or "Warehouse Receipt," as the case may be. The canceled excess card and certificates shall be filed in the folder for the farm.
- (i) Issuing white cards. After the bond of indemnity has been approved, funds have been tendered to be held in escrow, or warehouse receipts accepted, and any excess cards previously issued have been canceled, the county committee shall issue a white card only to the operator of the farm in accordance with section 211, except that:
1. If the cotton acreage allotment is determined to be knowingly overplanted in accordance with the current Agricultural Conservation Bulletin, the words "Penalty Secured" must be stamped across the face of the white card;
 2. The word(s) "Bond," "Escrow," or "Warehouse Receipt," as the case may be, shall be entered in column H of form MQ-2;

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3. A Form 717, prepared as outlined in section 212(g), and, if necessary, a Form 417-A, prepared as outlined in section 212(i), shall be delivered to the operator at the time the white card is delivered to him.

Sec. 215 Farms producing 1,000 pounds or less.

- (a) Amount of penalties. The penalty does not apply to the marketing of cotton produced on a farm for which a cotton acreage allotment was established if the total production of lint cotton in the current year on the farm does not exceed 1,000 pounds. This exemption is not applicable to carry-over penalty cotton designated to be marketed in connection with the farm. Where there is a variation between the gin weight and the marketing weight of the cotton produced on a farm so that one weight is more than 1,000 pounds and the other weight is less than or equal to 1,000 pounds and the two weights are bona fide and not the result of a scheme to evade the payment of penalties, the farm shall be considered to have produced 1,000 pounds and such cotton will not be subject to penalty. The exemption from the penalty does not alter the amount of the farm marketing quota. The exemption means that penalties shall not apply to cotton of the current crop which is marketed in excess of the farm marketing quota if the total production on the farm was 1,000 pounds or less.
- (b) Issuing marketing cards. Marketing cards are required to be issued to producers on a farm prior to the time the total production thereon is known. White cards and excess cards will consequently be issued as in other cases to farms on which the production does not exceed 1,000 pounds. A white card may be issued to or for producers on an overplanted farm if (1) the actual or estimated production does not exceed 1,000 pounds of lint cotton, (2) no producer on the farm has any carry-over penalty cotton, (3) a cotton acreage allotment was established for the farm, and (4) any excess cards previously issued to or for the producers on the farm are returned to the county office and canceled. A white card under such circumstances should not be issued if there is a possibility that the current crop will exceed 1,000 pounds of lint cotton. The white card issued under such conditions shall be prepared and delivered to the producer in accordance with section 211 of these instructions, with the following exceptions:
1. The words "One Thousand Pounds" shall be entered in column H of form MQ-2 for the white card so issued.
 2. The words "One Thousand Pounds" shall be stamped across the face of the white card.
 3. A Form 717 prepared as outlined in section 212(g) and, if necessary, a Form 417-A prepared as outlined in section 212(i) shall be delivered to the operator of the farm at the time the white card is issued to him.

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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT AGENCY

INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS

PART III. COUNTY OFFICE RECORDS OF COTTON PRODUCTION

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Section 301 Applicability of instructions. Part III of these instructions relates to the procedure under which the Agricultural Adjustment Agency obtains and records the amount of cotton produced and ginned for each farm, in each county, in each State of the United States. The information is used in establishing farm normal yields, determining amounts of cotton produced in excess of farm marketing quotas, and compiling reports which are used in connection with crop estimates. The size of the job and the necessity for accuracy cause these instructions to be lengthy and detailed, but the procedure prescribed for handling the reports permits a balancing of the data to the same degree of correctness as that attained in a bank or similar business. Since many bales of cotton are ginned in a county other than the county in which produced these instructions outline a procedure for transferring the cotton to the county in which produced (herein referred to as "extracting") and at the same time keeping the records of both counties in balance. Unless otherwise designated, each form mentioned herein is a "Cotton" form and each reference herein to a section is to a section of these instructions. In case the date for performance of a duty prescribed by these instructions falls on a Sunday or holiday, the date for performance shall be the business day immediately preceding the Sunday or holiday. These instructions are arranged, insofar as possible, so that each phase of the procedure is dealt with in the order that the work is to be performed and the order in which the information will be required in the office of the county committee (herein referred to as the "county office").

Sec. 302 The ginner's report. The ginner's report is required to be submitted to the treasurer of the county committee semi-monthly for periods from the 1st to the 15th and from the 16th to the last day of each month, inclusive, during which any cotton is ginned by the ginner. The period to be covered by the report is known as the ginning period. The ginner's report is required to be submitted not later than 5 days after the last day of the ginning period. The ginner is required to report separately for each ginning period the cotton ginned on saw gin stands and the cotton ginned on roller gin stands. For cotton ginned by the latter method, the ginner is required to enter the words "Long staple" on his report.

Sec. 303 Description and use of forms.

(a) Gin reports. The ginner's report will be made on the following forms:

1. Form 716, Report of Cotton Ginned and Seed Cotton Bought. This form will be used by the ginner to report each bale or lot of cotton ginned. Cotton ginned for producers and cotton ginned for persons other than producers will be reported on separate

Forms 716. This form will also be used by buyers (including ginner) to report seed cotton bought or acquired from producers; for example, remnants and toll cotton.

2. Gin tickets. The originals or copies of gin bale receipts or tickets (herein referred to as "gin tickets") prepared by the ginner may be submitted in lieu of Forms 716, provided that the ticket contains, with respect to each bale or lot of cotton for which it is submitted, the information required to be shown on Form 716 and that the gin ticket and the use thereof has been approved by the State office for the ginner submitting the report. THESE INSTRUCTIONS SPECIFICALLY REFER TO FORM 716, BUT ARE EQUALLY APPLICABLE TO GIN TICKETS WHICH HAVE BEEN APPROVED.
3. Form 716-A, Ginner's Report and Certificate. This form will be used by the ginner, whether his report consists in whole or in part of gin tickets or Forms 716, as a letter of transmittal and a schedule of the forms constituting the report and as his certification to the correctness of the report.
- (b) Form 553, Summary of Gin Reports. This form will be used to record for gin reports received from gins located in the county (1) the receipt of the reports; (2) the allocation of the reports to a balance period; (3) a summary of the information contained on the reports and the disposition made of the cotton covered thereby, and (4) current and cumulative totals by balance periods.
- (c) Form 757, Letter of Transmittal and Receipt for Gin Report Extracts. This form will serve as a letter of transmittal of and receipt for extracts of Forms 716 and gin tickets prepared for and received from other counties. For extracts sent to or received from another county, the form will also serve the same purpose that Form 553 serves for gin reports received from gins located in the county.
- (d) Form 566, Period Summary and Report of Cotton Production. This form will be used as a summary and report of all information on county office records pertaining to cotton production.

Sec. 304 Instructions and forms for ginner and seed cotton buyers.

- (a) Supplying ginner with forms and instructions. A supply

of Forms 716 and 716-A, together with a copy of Part VIII of these instructions, shall be mailed or, if convenient, delivered to each ginner located in the county. Forms 716 will not be furnished ginner using approval gin tickets unless such tickets do not contain spaces for reporting purchases of seed cotton. Ginner using Forms 716 should be notified of their gin serial number, which may be entered by them on each form in lieu of the name of the gin (see section 306(a)). If the forms and instructions are mailed to the ginner, a copy of the letter of transmittal should be filed in the folder for the gin. The type of bagging to be used by each ginner shall be ascertained and a notation thereof filed in the gin folder. The weights of 21 pounds for jute bagging, 20 pounds for sugar bagging, 14 pounds for cotton bagging, and 3 pounds for a round bale shall be used for marketing quota purposes. These weights may differ slightly from the tare weights determined by warehouses and used by the Commodity Credit Corporation in connection with loans; however, their tare weights frequently allow for patches placed on a bale and other factors.

- (b) Supplying seed cotton buyers with forms and instructions.
A supply of Forms 716 and a copy of Part VIII of these instructions shall be furnished each seed cotton buyer in the county who is not a ginner.
- (c) Reimbursing ginner for postage expenses incurred. The treasurer of the county committee may furnish each ginner with postage stamps in advance of the ginning season to be used in submitting gin reports, or the ginner may be reimbursed from the county administrative expense funds for the postage expense incurred by him upon the basis of a detailed statement of such expenses presented at the end of the season. A postage account should be set up and filed in the folder for each gin to show (1) the value of stamps advanced and (2) the value of the stamps used in transmitting each report. The portion of the envelope bearing the canceled postage stamps should, in the case of either method, be identified with the gin and the report number and filed in an envelope in the folder for the gin to substantiate the postage account. Each ginner must give a receipt for any postage stamps advanced.

Sec. 305 Balance periods.

- (a) Designation of balance periods. A balance period is the time from the 1st through the 15th or from the 16th through the last day of each month during which any gin reports or extracts are received. Each balance period shall be

designated by the date thereof. The name of the month (abbreviated) and the first and last dates of the balance period shall be known as the balance period designation as, for example, "Nov. 16 through 30."

- (b) Need for balance periods. Gin reports and extracts are assigned to balance periods for the purpose of (1) developing regular units of work in the county office on the basis of the time the gin reports are received rather than on the basis of the ginning periods covered thereby; (2) making the records and reports of cotton production for each county comparable to the records and reports of other counties; and (3) making periodic production and status reports to the State office.

Sec. 306 Establishing files and records.

- (a) Assigning serial numbers to gins. The county committee shall ascertain the name and location of each gin situated in the county, the name and address of the owner and manager of the gin, and whether the gin has equipment or machinery designed for ginning long staple cotton (roller gin stands). Consecutive serial numbers, beginning with number 1, for the gins shall be assigned for the purpose of identifying and filing the gin reports.
- (b) Files for gin reports. A manila folder labeled "194 Gin Reports," followed by the gin serial number and the name of the gin, shall be prepared for each gin in the county. Forms 716-A submitted by the ginner shall be securely fastened to the right side of the folder (that is, the side with the tab for the label). The postage account, any supplemental reports on Forms 716-A, and correspondence from a producer or the ginner which has the effect of altering any information contained in a report shall be fastened to the left side of the folder.
- (c) Forms 553 for summary of cotton reported for producers. Forms 553 to be used in summarizing cotton reported for producers (herein referred to as Form 553-A) shall be prepared, prior to the beginning of the ginning season, for each balance period. The initial preparation of Forms 553-A shall be as follows:
 - 1. In the spaces provided enter the name of the county, the marketing year, and the designation of the balance period. Unless otherwise instructed by the State office, the first balance period shall be that in which the receipt of the first gin report or extract

is expected.

2. Enter above the title of each form the words "Cotton Reported for Producers" and after the designation "Cotton 553" a dash and the letter "A."
 3. In column B of each form enter the serial number of each gin located in the county, beginning with gin serial number 1 on the first line and continuing in numerical sequence on succeeding lines.
 4. Arrange Forms 553-A in the numerical order of the balance periods and securely bind them.
- (d) Forms 553 for summary of cotton ginned for persons other than producers. A Form 553 to be used in summarizing reports of cotton ginned for persons other than producers (herein referred to as Form 553-B) shall be prepared for each balance period in the manner outlined in items 1 and 3 of paragraph (c), the words "Cotton Ginned for Persons Other Than Producers" entered above the title of each form, and the letter "B" preceded by a dash entered after the designation "Cotton 553." Forms 553-B shall be filed in a separate binder in the numerical order of the balance periods.
- (e) Forms 553 for comparison of seed cotton reports. A separate Form 553 to be used in making comparisons between reports of cotton ginned for persons other than producers and reports of seed cotton marketed (herein referred to as Form 553-C) shall be prepared for each gin located in the county. The initial preparation of Forms 553-C shall be as follows:
1. In the spaces provided enter the marketing year and the name of the county.
 2. In the space provided for the balance period enter the name of the gin and the gin serial number.
 3. Above the title of the form enter the words "Comparison of Seed Cotton Reports" and after the designation "Cotton 553" a dash and the letter "C."
 4. Alter the heading of column B to read "Gin Report No."
 5. Alter the heading of column C to read "Balance Period Designation."

6. Alter the heading of column K to read "Cumulative Total of Col. I."
 7. Alter the heading of column L to read "Cumulative Total of Col. J."
 8. Arrange the Forms 553-C in the numerical sequence of the gin serial numbers and place them in the binder prepared pursuant to paragraph (d) following the Forms 553-B.
- (f) Forms 757 for extracts sent to other counties. A manila file folder labeled "194_ Extracts Sent to" followed by the names of the State and county shall be prepared for each county to which extracts will be sent. The second carbon copy of each Form 757 prepared in connection with extracts sent to the county shall be arranged in the inverse order of the transmittal numbers and securely fastened to the right side of the folder. The original of each Form 757 which is returned to the county as a receipt for the extracts sent shall be fastened to the left side of the folder. The folders for the various counties to which extracts are sent shall be filed together by States in alphabetical order.
- (g) Forms 757 for extracts received from other counties. A manila file folder labeled "194_ Extracts Received From" followed by the names of the State and county shall be prepared for each county from which extracts will be received. The first carbon copy of each Form 757 in connection with extracts received from the county shall be arranged in the inverse order of the transmittal numbers and securely fastened to the right side of the folder. The folders for the various counties from which extracts are received shall be filed together by States in alphabetical order.
- (h) Forms 566. A separate manila folder labeled "194_ Forms Cotton 566" shall be prepared for the period summary and report of cotton production of Form 566. The first carbon copy of each Form 566 shall be arranged in the inverse order of the balance period designations and securely fastened to the right side of the folder.
- (i) Farm files. A manila envelope shall be prepared prior to the beginning of the ginning season for each farm for which a cotton acreage allotment was established and, insofar as possible, for all other farms on which cotton is planted. The envelope shall be prepared by entering the farm serial

number in the upper right corner. The envelopes, which will be used as a file for Forms 716, must be filed in numerical sequence in a drawer, rack, or tray readily accessible to the clerk filing the reports.

- (j) Suspense files and files for reports of cotton ginned for persons other than producers. A manila envelope shall be prepared prior to the beginning of the ginning season as a suspense file for each gin in the county and for each county from which extracts will be received. The envelope shall be prepared by entering in the upper right corner "Suspense File" followed by the number assigned to the gin and the name of the gin or the name of the county, as the case may be. One envelope should also be prepared by entering in the upper right corner "Reports of Cotton Ginned for Persons Other than Producers." The envelopes described in this subsection will be used as files for Forms 716 which cannot be assigned to a farm file and shall be placed in the drawer, rack, or tray immediately behind the farm files.

Sec. 307. Receiving and examining gin reports.

- (a) Record of the receipt of a gin report. A record of the receipt of each gin report shall be made on the Form 553-A prepared for the balance period next succeeding the ginning period covered by the report. For example, if gin report number 1 covering cotton ginned from September 1-15 is received from gin number 4 on September 19, the entry "Sept. 19" will be made in column A on the fourth line of the Form 553-A established for balance period Sept. 16-30, and, after the entry "4" which already appears in column B, the entry " - 1" will be made. The date received would be entered on the Form 553-A for balance period Sept. 16-30 even if the report was received too late to be included in that balance period. (See section 309(d)). The gin report number shall be entered on Form 716-A in the space provided.

- (b) Examination of the gin report. Immediately after the receipt of the gin report has been recorded on Form 553-A, the county office shall examine it as follows (for the handling of reports containing errors or omissions see section 308):

1. The total number of Forms 716 executed by the ginner and appearing in item A, Part I, Form 716-A, shall be verified by counting them.
2. The serial numbers of the Forms 716 shall be examined to determine that they are in consecutive order and that the first and last serial numbers thereof

correctly appear in columns 2 and 3, respectively, of item A, Part I, Form 716-A. (If approved gin tickets do not bear printed serial numbers, use bale numbers.) The last number, plus one, minus the first number of the Forms 716 in the report should equal the number in column 1.

3. The total number of Forms 716 executed covering seed cotton bought from producers by persons other than ginners must appear in item B, Part I, Form 716-A.
4. The ginning period covered by the report must appear in item C, Part I, Form 716-A.
5. Form 716-A must be properly executed by the ginner and the name and address of the gin must appear in the spaces provided.
6. Each Form 716 must be examined to determine that the name of the ginner or seed cotton buyer, or the gin serial number, has been entered and that the following information has been reported with respect to each bale or lot of cotton, or each transaction with respect to seed cotton marketed:

a. Cotton ginned for producers.

- i. The farm serial number or numbers for each bale, or lot of cotton if less than a bale.
- ii. The date of ginning.
- iii. The name of the farm operator.
- iv. The name of the producer, if other than the operator.
- v. The names of the county and State in which the farm is located.
- vi. The gin bale number or mark. In cases where a bale of cotton produced on two or more farms by a single producer, or by several producers, is reported on a single Form 716, the county office must prepare separate Forms 716 for each farm showing on each the data applicable to that farm. The Forms 716 so prepared shall bear the

same serial or bale number as the original form succeeded by the letters A, B, C, etc., and the original form shall be attached to the first form so prepared.

- vii. The gross weight of the bale (including bagging and ties).
 - viii. Enter the weight of the tare (see section 304(a)) and compute the net weight of each bale. In the case of a bale of cotton produced on two or more farms, divide the weight of the tare in the proportion each part of the bale bears to the total weight of the bale and enter on each Form 716 the weight of the tare, expressed to the nearest hundredth of a pound. For example, if 75 percent of a jute-wrapped bale was produced on one farm, the tare thereon would be 15.75 pounds.
- b. Seed cotton bought from producers.
- i. The farm serial number.
 - ii. The date on which the cotton was purchased.
 - iii. The name of the operator of the farm on which the cotton was produced.
 - iv. The name of the producer, if other than the operator.
 - v. The name of the county and State in which the farm is located.
 - vi. The number of pounds of seed cotton.
 - vii. The estimated or known number of pounds of lint in the seed cotton. The amount of the lint should be compared with the number of pounds of seed cotton to determine, without making precise calculations, whether an obvious error has been made in estimating the amount of lint cotton. To make this comparison the county office must have knowledge of the usual percentage of turn-out of the seed cotton in the area in which the farm is located.

viii. The marketing card serial number.

c. Cotton ginned for persons other than producers.

The report on Forms 716 of cotton ginned for persons other than producers must be examined in every respect in the manner outlined in item a with the following exceptions:

- i. The word "Buyer" will appear in lieu of the farm serial number.
- ii. The name of the person who acquired the cotton will appear in the space provided for the name of the farm operator.
- iii. There will be no entry in the spaces provided for the name of the producer or the county and State in which the cotton was produced.

7. If the ginner requested a receipt for the report by submitting the original and copy of Form 716-A, the treasurer of the county committee should initial and return the copy.

(c) Arrangement of Forms 716. As soon as the examination of a report is completed, the Forms 716 shall be separated into the following groups: (1) Those covering cotton ginned for producers; (2) those covering cotton ginned for persons other than producers; and (3) those covering seed cotton bought from producers. The Forms 716 in groups (1) and (3) shall then be segregated according to the counties in which the cotton was produced and then arranged in the numerical order of the farm serial numbers.

Sec. 308 Procedure in connection with errors in gin reports.
Errors in connection with gin reports shall be handled in accordance with the following instructions. NO GIN REPORT SHALL BE RETURNED TO THE GINNER FOR ANY PURPOSE. NO ADDITIONS OR ALTERATIONS SHALL BE MADE ON A FORM 716, except as provided herein.

(a) Part I, item A, Form 716-A. If any numbers in the consecutive series of serial numbers on Forms 716 are missing, the missing numbers must be listed in column 4, item A, Part I, Form 716-A, and the ginner must account for their disposition. If the information for a bale or lot of cotton is not reported on a Form 716 (this will generally be evidenced by the omission of a bale number but may be evidenced by a farm operator's report of cotton produced),

the ginner shall be requested to explain the reason for the omission and to submit a supplemental report covering the cotton, if necessary. The original gin report shall not be suspended for this error.

- (b) Part I, item B or C, Form 716-A. An omission or error in these items shall be corrected by the county office unless the circumstances indicate that additional information is necessary in order to make the correction.
- (c) Part I, item D, Form 716-A. If the ginner fails to execute this item, he shall be requested to do so on the form submitted. If this cannot be done conveniently without returning the report, he shall be requested to execute the certificate on a separate Form 716-A prepared in the county office to refer specifically to and clearly identify the particular gin report for which the certification is made. The gin report shall not be suspended because of this error.
- (d) Bale number. If the ginner erroneously reports a bale number (generally evidenced by duplicate or illegible bale numbers) he shall be requested to advise the county office by letter of the correct bale number. The filing of Form 716 in a farm file will not be affected by an error of this nature.
- (e) Weight of cotton ginned. Any error affecting the weight of cotton ginned will not affect the handling of the original gin report; however, the weight of the cotton must be corrected by a supplemental report on Form 716. If the weight of the cotton is omitted, the Form 716 shall not be included in the totals for the report and the ginner shall be requested to submit a supplemental report showing the correct weight of the cotton.
- (f) Weight of seed cotton. Any error affecting the weight of seed cotton bought or estimated lint turnout shall be corrected only by a supplemental report on Form 716 showing the corrected weight of the seed cotton or lint turnout. If the weight of the estimated lint turnout is omitted, the county office shall enter in red its estimate of the amount of lint cotton, using its knowledge of the usual percentage of turnout of seed cotton in the county and advise the producer and buyer of the omission with a request that they verify the correctness of the county office estimate. If the number of pounds of seed cotton is omitted, the Form 716 shall be eliminated from the

report and the seed cotton buyer shall be requested to submit a supplemental report showing the weight of the cotton.

- (g) Marketing card serial numbers on reports of seed cotton bought. Reports of seed cotton marketed should be carefully reviewed where the marketing card serial number is omitted to determine whether the cotton was produced on a farm for which an excess marketing card was issued. If the serial number of an excess marketing card is omitted, the buyer and producer should be notified and an effort made to secure the proper report and collect any penalty due. The matter should be promptly reported to the State committee for handling if satisfactory settlement cannot be effected. This action should not be taken, however, if the county office receives a Form 530 or certificate from the producer's excess marketing card which was executed for the transaction by the buyer. If the serial number of a white marketing card is omitted, a letter should be addressed to the buyer calling his attention to the omission. If a buyer continues to omit the serial numbers, a representative of the county office, county committee, or State committee should try, through personal contact, to impress the buyer with the necessity of making complete reports and, if the case warrants such action, to request the buyer to obtain the missing numbers. Errors of this nature will not affect the handling of the original report.
- (h) Name of the county in which the cotton was produced. If the ginner fails to report the name of the county in which the cotton was produced, the Form 716 may be filed in a farm file or extracted if the county office can definitely determine the name of the county in which the cotton was produced. If the county office cannot definitely determine the name of the county, the amount of the cotton shall be included in the total of the gin report, the Form 716 filed in the suspense file, and a letter addressed to the ginner requesting the name of the county.
- (i) Farm serial number for reports of cotton produced within the county. If the farm serial number is omitted from a Form 716 and the county office can definitely determine the correct farm serial number, it shall be entered in red. If the county office cannot definitely determine the correct farm serial number, the report shall be handled as follows:
 - 1. The amount of the cotton shall be included in the total of the gin report and the Form 716 filed in the suspense file, pending correction of the error.

2. Before the Form 716 is filed in the suspense file, the producer shall be advised of the facts by letter and a copy of the letter should be forwarded to the ginner. If it is not possible to identify the producer for whom the cotton was ginned, the ginner shall be so notified and requested to advise the county office by letter of the necessary additional information. The letter to the producer shall (1) set forth the information for the cotton as reported by the ginner, (2) explain that the cotton cannot be credited as production for the farm unless the producer furnishes the ginner with the information necessary to enable him to submit the correct information for the cotton, (3) provide a schedule at the end thereof in which the ginner may insert and certify the correct information or supply the missing information, and (4) advise the producer that when the ginner returns the letter with the schedule properly executed, the cotton will be credited to the proper farm. The copy of the letter should be filed with the Form 716.
 3. When a reply to the letter(s) correcting the error is received, the Form 716 shall be removed from the suspense file and filed in the appropriate farm file. The letter(s) shall be filed in the folder provided for the gin report.
- (j) Farm serial number for reports of cotton produced in other counties. The following procedure shall apply to Forms 716 for cotton produced in other counties which are to be extracted but for which the farm serial numbers are not reported:
1. The sending office will extract the cotton in accordance with Section 310 without reference to the error.
 2. The receiving office will follow the procedure outlined in subsection (i) above.
 3. Upon advice from the sending office that any cotton was extracted in error and was not produced in the receiving county, the Forms 716 shall be returned as a canceled extract (see section 316).
 4. If, by the close of the ginning season, a bale or lot of cotton is not identified, the receiving office shall retain the cotton in the suspense file.
- (k) Date of ginning. If omitted the date of ginning shall be

inserted on Form 716 by the county office in red as the date of ginning shown for the immediately preceding bale.

- (l) Name of operator. If the name of the operator is omitted but can be determined from county office records, the name shall be entered in red. If the name of the operator cannot be determined, the Form 716 shall be filed in the suspense file and a letter requesting the information addressed to the ginner.
- (m) Name of producer. If the name of the producer is omitted, the omission shall be disregarded unless the cotton covered by the report was produced on an overplanted farm for which an account on Form 450 has been established. In this event the Form 716 shall be filed in the farm file and the farm operator requested to supply the name of the producer interested in the bale or lot of cotton. Such request shall not be made, however, if the name of the interested producer can be obtained from the certificate from the producer's excess marketing card executed by the buyer for the cotton in question.
- (n) Tare. If the symbol indicating the type of bagging for a bale or lot of cotton is omitted, it shall be entered in red by the county office provided there is no question as to the type of bagging being used by the ginner.

Sec. 309 Recording the totals of gin reports by balance periods.

- (a) Adding gin reports of cotton reported for producers and executing Part II, Form 716-A.

- 1. The totals for cotton reported for farms located in the county shall be recorded on line 3 as follows:
 - a. In columns A, B, and C, respectively, enter the total number of square bales on which jute, cotton, and sugar bagging was used. In column D enter the total number of round bales. In the case of a bale including cotton produced in two or more counties, the entries on lines 3 and 2, columns A, B, C, and D shall reflect the proportion of the bale produced within the county and the proportion of the bale produced in other counties. For example, if 210 pounds (gross) of a 500-pound jute-wrapped bale was produced within the county and 290 pounds of the bale was produced in an adjoining county, the entry on line 3, column A, will be .42 and the entry on line 2,

column A, will be .58.

- b. In column F enter the weight of the bagging and ties which shall be the sum of the results obtained by multiplying the respective entries in columns A, B, C, and D by the applicable weights.
 - c. In column E enter the gross weight of the bales of cotton reported, obtained by adding the gross weight from each Form 716.
 - d. In column G enter the net weight of the bales of cotton reported, obtained by adding the net weight from each Form 716.
 - e. In column H enter the sum of the amounts of the estimated or known lint in seed cotton as reported (including toll cotton) for all farms located in the county. (This entry should be verified by running two adding machine tapes of the amounts of the estimated or known lint in seed cotton and comparing the totals.)
 - f. In column I enter the sum of the amounts in columns G and H.
 - g. Attach the adding machine tapes to Form 716-A.
- 2. The totals for cotton reported for farms located in other counties shall be determined in the manner outlined in item 1 above and recorded on line 2. The entries on line 2 shall not be determined by taking the sum of the totals entered in Part I of the extracts on Forms 757 prepared in connection with the report pursuant to section 310.
 - 3. On line 1 enter in columns A through I the sum of the entries on lines 2 and 3 for each such column.
 - 4. No entries shall be made on line 5 except in accordance with State office instructions.
- (b) Adding gin reports of cotton ginned for persons other than producers and executing Part II, Form 716-A. The totals for cotton ginned for persons other than producers shall be recorded on line 4, as follows:
- 1. In columns A, B, and C, respectively, enter the total

number of square bales on which jute, cotton, and sugar bagging was used. In column D enter the total number of round bales.

2. In column F enter the weight of the bagging and ties, which shall be the sum of the results obtained by multiplying the respective entries in columns A, B, C, and D by the applicable weights.
 3. In column E enter the sum of the gross weight of the bales of cotton reported, obtained by adding the gross weight from each Form 716.
 4. In column G enter the sum of the net weight of the cotton reported, obtained by adding the net weight from each Form 716.
- (c) Proving totals of the gin report and Part II, Form 716-A. The entry in column E on each line must equal the sum of the entries in columns F and G on the same line.
- (d) Assigning the gin reports and extracts to a balance period. Each gin report shall be included within the balance period in which it is actually received; provided that it is received by the county office within sufficient time before the expiration of the first 10 days of the balance period to allow all extracts to be prepared therefrom and sent to each county on or before the 10th or the 25th of each month, as the case may be. If it is not possible to prepare and transmit the extracts to the other county offices by the expiration of the first 10 days of the balance period in which received, the gin report shall be included in the next balance period. The designation of the balance period in which a gin report is included shall be entered on each report on Form 716-A in the space provided therefor, as, for example, "Oct. 1-15" or "Oct. 16-31."
- (e) Recording the gin report on Form 553-A. The portion of each gin report covering cotton reported for producers shall be recorded on the Form 553-A for the balance period to which the gin report is assigned. In the initial preparation of Forms 553-A, in the manner outlined in section 306(c), a line of Form 553-A for each balance period was reserved for the gin report which should be received from each gin and included in that balance period and, in the event a gin report is assigned to a subsequent balance period, columns C through P of the line reserved on the Form 553-A as outlined above must be canceled by entering the expression "Assigned to balance period" followed by

the designation of the balance period in which the report is included. The report must then be recorded on the Form 553-A for the balance period in which it is included in the additional lines thereof not reserved for reports regularly received and included in that balance period. The record on Form 553-A for each gin report shall be made as follows:

1. In columns A and B, respectively, enter the date of receipt of the gin report, the gin number and report number. In the case of gin reports regularly received and included in a balance period, these entries will have been made previously in accordance with section 307(a).
2. In columns C through K, respectively, enter the comparable information from line 1, columns A through I, Form 716-A.
3. In column L enter the amount from line 2, column I, Form 716-A.
4. In column M enter the amount from line 3, column I, Form 716-A.

(f) Recording the gin report on Form 553-B. The portion of each gin report covering cotton ginned for persons other than producers shall be recorded on the Form 553-B for the balance period to which the gin report is assigned in the manner outlined in paragraph (e), with the following exceptions:

1. In columns C through I, respectively, enter the comparable information from line 4, columns A through G, Form 716-A.
2. Make no entries in the remaining columns.

(g) Recording the gin report on Form 553-C. The Form 553-C for the gin shall be executed as follows:

1. In column A, on consecutive lines for each gin report, enter the date on which the report was received.
2. In column B enter the report number and in column C the balance period to which the report was assigned.
3. In column I enter the amount from column G, line 4, Form 716-A.
4. In column J enter the amount from column H, line 1, Form 716-A.

5. In column K enter the sum of the following: (1) The entry in column I for the gin report and (2) the entry in column K for the immediately preceding gin report.
 6. In column L enter the sum of the following: (1) The entry in column J for the gin report and (2) the entry in column L for the immediately preceding gin report.
 7. Make no entries in the remaining columns.
 8. The entry in column K shall be compared from time to time with the entry in column L in order to determine whether the reports of seed cotton marketed and the reports of cotton ginned for persons other than producers are comparable. If it appears that the reports are not comparable for any reason other than the natural seasonal variation or lag, the ginner should be requested to explain the reason therefor and to make any necessary additional reports.
- (h) Filing reports. When the report has been examined, balanced, recorded, and the Forms 716 to be extracted removed from the report, the Forms 716 shall be filed in the envelopes prepared pursuant to section 306(i) and (j).

Sec. 310 Extracts of gin reports.

- (a) Preliminary execution of Form 757 for extracts included in a balance period. A separate letter of transmittal on Form 757 shall be prepared for each balance period for each county to which extracts included in the balance period will be sent or to which extracts included in any previous balance period were sent. The Form 757 shall be prepared in triplicate as follows:

1. In the spaces provided, enter the marketing year, the name of the person to whom the extract will be sent (that is, the name of the receiving officer), his address, the name of the sending officer (that is, the name of the treasurer or secretary of the county committee for the county in which the extracts are prepared), his address, and his title.
2. In the space provided, enter the balance period designation of the balance period for which the Form 757 is prepared.
3. In the space provided, enter the transmittal number of Form 757, which shall be number 1 for the first

transmittal sent to each county and thereafter continue in numerical sequence for subsequent transmittals sent to that county.

- (b) Recording extracts on Forms 757. Extracts from all gin reports included in the balance period to be sent to a county shall be listed in Part I of Form 757 on consecutive lines. As soon as possible after a gin report is received and examined, the information in connection with cotton to be extracted therefrom shall be recorded on Forms 757 in accordance with the following instructions:

1. In column A enter the gin serial number and gin report number.
2. Obtain the entries for columns B through J, Part I, Form 757, by adding the respective items of the Forms 716 to be extracted to the county for the gin report. These entries shall be made on the line opposite the applicable gin serial number and the report number. (The adding machine tapes must be attached to the Forms 716 and accompany the extract.)
3. Reverse the carbon paper and enter in Part A, Form 757, the gin number and the serial number of each Form 716 included in the extract. The State and county code of the sending office must be stamped on each Form 716 included in the extract.
4. The sum of the entries in each column of Part I for a gin report of all Forms 757 must equal the entries on line 2 of the corresponding columns of Form 716-A.
5. The Form 757 and accompanying Forms 716 shall be held pending the tabulation of all other extracts included in the balance period to be sent to the county.
6. If extracts in connection with more than 13 gin reports will be sent during any balance period to a single county, a sufficient number of additional Forms 757, marked "Continuation Sheet," shall be used and the information for the extracts shall be listed thereon in the manner outlined in items 1, 2, and 3, with current and cumulative totals entered on the last sheet.

- (c) Period and cumulative totals of letters of transmittal.
The balance period and cumulative totals of Forms 757 for

the balance period shall be computed and entered on the Form 757 not later than the 10th day of each month or the 25th day of each month as follows:

1. The totals of columns B through J, Part I, for the balance period shall be entered on line 11, Part I. If no extracts are to be sent to the county for the balance period, the word "None" shall be entered on line 14, Part I.
 2. In column B through J, Part II, enter the information for canceled extracts in accordance with section 317.
 3. In columns B through J, respectively, Part III, enter the totals for these columns as shown in Part IV of the Form 757 prepared for the county for the immediately preceding balance period.
 4. In part IV for each of columns B through J enter the result obtained for each column as follows: Part I, line 14, minus Part II, plus Part III.
- (d) Mailing extracts to other counties. On the 10th day, or between the 5th and 10th days, of each month and on the 25th day, or between the 20th and 25th days, of each month, extracts for a county shall be mailed to it accompanied with the original and first copy of the Form 757 covering the extracts. The Form 757 shall be signed and dated by the sending officer before it is mailed. (If there are no extracts for a county for a balance period, the Form 757 for that balance period shall nevertheless be signed and forwarded to the county.) The second copy of Form 757 shall be retained in the county office and filed in the folder prepared for that purpose.
- Sec. 311 Receiving extracts from other counties.
- (a) Examination of extracts and Forms 757 received from other counties. On the day, or not later than the close of the next succeeding business day, on which extracts and Forms 757 are received from another county, they shall be examined and corrected as follows:
1. The Forms 716 in connection with each gin report shall be added or the accompanying adding machine tapes checked to determine that the information in Part I is correct. The serial numbers of Forms 716 shall be checked with Part A, Form 757.

2. The totals on line 14, Part I, shall be verified.
 3. Part II shall be verified as outlined in section 316(c).
 4. The information in Part III shall be checked with that shown in Part IV of the Form 757 received from the county for the immediately preceding balance period.
 5. The entries in Part IV, columns B through J, must equal the result obtained for each column as follows: Part I, line 14, minus Part II, plus Part III.
 6. Any errors on Form 757 shall be corrected by circling the incorrect entry and entering above it the correct amount.
 7. The Forms 716 shall be filed in farm files or the suspense file for the sending county as the case may be.
- (b) Balance periods for extracts received. Each extract received from another county shall be included in the balance period shown on the accompanying Form 757 with the single exception that, if the extract is received after the balance period shown on Form 757 is closed, the extract shall be included in the next succeeding balance period. In the latter event, the balance period shown on the original and copy of Form 757 shall be circled and the designation of the next succeeding balance period entered above it.
- (c) Acknowledging receipt of extracts. The original and copy of Form 757 shall be signed by the treasurer or the secretary of the county committee as receiving officer and the date of his signature and his title entered in the spaces provided. (Also, see section 316.) The original shall be returned to the sending officer. If any corrections or changes were made other than in the balance period designation, the original shall be accompanied with a letter setting forth the reasons for the corrections and requesting that the corrections be confirmed by return mail. The first carbon copy of Form 757 shall be retained in the county office and filed in the folder prepared for that purpose.

Sec. 312 Record of transfers and corrections.

- (a) Transfers between farm and suspense files within the county. A Form 716 filed in a farm file which is subsequently found to cover cotton produced on a different farm within the same county may be transferred to the correct file at any

time without record. Similarly, a Form 716 in a suspense file may be transferred to a farm file or vice versa without record.

- (b) Transfer from suspense or farm file to file for cotton ginned for persons other than producers. If it is found that cotton included in line 1, Part II, Form 716-A, and on Form 553-A was actually ginned for persons other than producers, the following entries shall be made on Forms 553-A and 553-B:

1. On the current balance period Form 553-A enter in red (to indicate a minus entry) on the next available line -

- a. In column A the date of the transfer.

- b. In column B the letter "T" and the gin serial number.

- c. In columns C through K and column M the data with respect to each bale or lot of cotton being transferred.

2. On the current balance period Form 553-B enter in black (to indicate a positive entry) on the next available line -

- a. In column A the date of the transfer.

- b. In column B the letter "T" and the gin serial number.

- c. In columns C through K and column M the data with respect to each bale or lot of cotton being transferred.

- (c) Transfers from file for cotton ginned for persons other than producers to farm suspense files. If it is found that cotton included in line 4, Part II, Form 716-A, and on Form 553-B was actually ginned for producers, the transfer shall be recorded on Forms 553-A and 553-B in the manner outlined in subsection (b) above except that the entries on Form 553-A shall be made in black and the entries on Form 553-B shall be made in red.

- (d) Correction of Forms 757. If the entries in Part I, Form 757, are corrected by the receiving office, the sending office shall examine the corresponding Form 716-A. If it

is found that the entries in line 2, Part II, Form 716-A, are in error, the difference between the original and corrected entries on Form 757 must be posted to the current balance period Form 553-A as follows:

1. If the entry in column J, Part I, Form 757, has been increased, enter the increase in black in column L, Form 553-A, and in red in column M.
2. If the entry in column J, Part I, Form 757, has been decreased, enter the decrease in red in column L, Form 553-A, and in black in column M.

Sec. 313 Closing the balance period and making a semi-monthly report.

- (a) Time for closing the balance period. The balance period shall be closed on the 15th or last day of the month, as the case may be. When the balance period is closed, it shall not be reopened to include any gin report, supplemental gin report, extract, late extract, correction, or any transaction in connection with gin reports.
- (b) Period and cumulative totals of Forms 553. When the balance period is closed, the columnar totals of Forms 553-A and 553-B shall be entered on the "Current Total" line. The entries on the "Cumulative Total" line of the Forms 553-A and 553-B for the immediately preceding balance period shall be transcribed on the "Previous Total" line. On the "Cumulative Total" line enter the sum of the entries in each column on the "Current Total" and "Previous Total" lines.
- (c) Preparation of Form 566. Form 566 shall be prepared on the last day of each balance period beginning with the first balance period and continuing thereafter for each subsequent balance period until all farm records have been checked against the reports of farm operators and Form 717 and the records of cotton production are no longer active or until the Form 566 for the balance period ending June 15 is submitted, whichever is the earlier. The last Form 566 to be submitted for the marketing year shall be plainly marked "Final." Forms 566 shall be prepared in the following manner:
 1. In the spaces provided enter the State and county names and code numbers, the balance period designation, and the marketing year.

2. In Part II, columns A and B, enter, by States, in numerical order, the code numbers of the counties and States to which Forms 757 have been sent.
3. In Part III, columns A and B, enter, by States, in numerical order, the code numbers of the counties and States from which Forms 757 have been received.
4. In Part I, columns C through K, enter the amounts in columns C through K, respectively, on the "Cumulative Total" line of the Form 553-A for the current balance period.
5. In Part II, opposite the county, columns C through K, enter the amounts in columns B through J, respectively, of Part IV of the Form 757 sent to the county for the current balance period, and on line 11, columns C through K, Part II, enter the sum of the amounts in each column.
6. In Part III, opposite the county, columns C through K, enter the amounts in columns B through J, respectively, of Part IV of the Form 757 received from the county for the current balance period, and on line 11, columns C through K, Part III, enter the sum of the amounts in each column.
7. In Part IV for each of columns C through K, enter the result obtained for each column as follows: Part I minus Part II, line 11, plus Part III, line 11.
8. In Part V, columns C through I, enter the amounts in columns C through I, respectively, on the "Cumulative Total" line of the Form 553-B for the current balance period.
9. Part VI shall be executed as follows:
 - a. In item 1 enter the total number of gin reports from gins located in the county (accumulated for all balance periods) which have been received at the time the Form 566 is prepared.
 - b. In item 2 enter the number of gin reports shown in item 1 which have not been included in the current or any previous balance period.
 - c. In item 3 enter the number of delinquent gin reports, that is, the total number of gin reports

which are due from ginnerers and which have not been received.

- d. Items 4, 5, and 6 will not be used unless otherwise instructed by the State office.

10. Form 566 shall be signed and dated by the secretary or the treasurer of the county committee.

- (d) Distribution of Form 566. The original and second carbon copy of the Form 566 prepared for each balance period shall be mailed on the last day of the balance period, or not later than noon of the succeeding day, to the State office. The first carbon copy shall be retained in the county office in the folder provided for that purpose.

Sec. 314 Supplemental gin reports. A supplemental gin report covering a bale or lot of cotton omitted from a previous gin report correcting the weight of a bale or lot of cotton previously reported, or covering a bale or lot of cotton deleted, as provided in section 308, from a gin report shall be recorded on all records of cotton production as in the case of any other gin report which is not received by the county office within the prescribed time limits, with the exception that the gin serial number and report number shall, wherever required to be entered, be preceded by the designation "Sup." A supplemental gin report which increases or decreases the weight of any bale or lot of cotton previously included in the county office records of cotton production shall be handled as follows:

1. The entries in line 1 or line 4, as the case may be, columns E through I, Part II, Form 716-A, shall be the difference between the weight of the cotton as previously reported and the weight thereof as reported on the supplemental gin report. If the new weight is greater than that previously reported, the difference shall be a positive amount. If the new weight is less than that previously reported, the difference shall be entered in red (to indicate a minus entry).
2. The supplemental gin report shall be included in the balance period in which it is actually received in the county office with the exception that, where the change involves cotton previously sent on an extract to another county, the supplemental report shall be included in the next succeeding balance period if it is received after the first 10 days of the balance period.
3. A record of the supplemental gin report shall be made

as follows on the appropriate Form 553 for the balance period in which the supplemental report is included:

- a. In column A enter the date on which the supplemental report was received.
 - b. In column B enter the gin serial number and gin report number preceded by the designation "Sup."
 - c. In columns G through K, respectively, enter the amounts on line 1, columns E through I, Part II Form 716-A, for the supplemental report exactly as they appear therein.
 - d. If cotton covered by the supplemental report was included on an extract previously sent to another county, execute lines 2 and 3, Part II, Form 716-A, and enter in column L, Form 553-A, the difference between the new weight and the previously reported weight of the extracted cotton. If the new weight is less than the previous weight, the difference will be entered in red (to indicate a minus entry).
 - e. In column M, Form 553-A, enter the amount in column K if no entry appears in column L; if any entry appears in column L, enter in column M the result obtained as follows: (i) If the entries in columns K and L are positive, enter in column M in black the result obtained by subtracting column L from column K; (ii) if the entries in columns K and L are minus amounts, enter in column M in red the result obtained by subtracting column L from column K; (iii) if one of the entries in columns K and L is a positive entry and the other is a minus entry, enter in column M (the entry will be the same color as the entry in column K) the sum of the entries in columns K and L.
4. If the Form 716 covered by the supplemental report was filed in a farm file or suspense file, it shall be corrected or replaced by the corrected report.

Sec. 315 Late extracts.

- (a) Time and conditions. A late extract is any extract for another county which is prepared in connection with a gin report at any time after the Form 757 to the county for the balance period in which the gin report was included has been mailed, as provided in section 310(d). The need

for a late extract will arise when (1) cotton which should have been included in a previous extract was omitted inadvertently or because of an error in the gin report or (2) cotton received as a canceled extract is subsequently returned to the same county or sent to a different county.

- (b) Preparation of late extracts. Late extracts shall be prepared in the manner outlined in section 310 on the Form 757 for the current balance period, except that the words "Late Extract" shall be entered in the left margin opposite the gin serial number and the gin report number need not be entered in column A.
- (c) Record on Form 553-A for late extracts. Late extracts will be recorded on Form 553-A for the balance period shown on the Form 757 on which the late extract is listed, if the cotton is not listed on a supplemental gin report. The entries for the late extract shall be made on the first available line of the Form 553-A in the following manner:
1. In column A enter the date on which the late extract is prepared and listed on Form 553-A.
 2. In column B enter the gin serial number preceded by the letter "L."
 3. In columns C through K make no entries.
 4. In column L enter the total net weight of cotton on the late extract as indicated in column J, Part I, Form 757, on which the late extract is listed. This entry shall be made in black pencil indicating an increase in the total net weight of cotton produced in other counties.
 5. In column M enter in red the amount in column L. This entry shall indicate a decrease in the total net weight of cotton produced in the county.
- (d) Receiving late extracts. A late extract received from another county shall be handled in every respect as other extracts are handled and without regard to the fact that it is a late extract.

Sec. 316. Procedure for the county office canceling an extract.

- (a) Conditions under which an extract will be canceled. Each Form 716 received from another county must be filed by the receiving county in either a farm file or in the suspense file for the sending county. When it is determined that any bale or lot of cotton received as an extract was not

in fact produced on any farm in the county, the cotton shall be returned to the county from which the extract was received.

- (b) Time for returning canceled extracts. The Forms 716 to be returned shall be filed in the folder labeled "Extracts Received From" for the county to which they will be returned, pending the time for acknowledging receipt of the next extract from the county (see section 311(c)).
- (c) Returning canceled extracts. The data with respect to each bale or lot of cotton to be returned shall be entered in Part B of both the original and copy of Form 757 (that is, the next Form 757 received from the county to which the Form 716 is to be returned). Enter the totals of columns A through I, Part B, in the spaces provided. Forms 716 shall be returned attached to the original Form 757. The totals of columns A through I, Part B, of the copy of Form 757 retained shall be compared with the respective entries in Part II of the next Form 757 from the same county. Any differences should be explained by a letter prepared by the sending office in accordance with section 317.

Sec. 317 Procedure for county office receiving a canceled extract.

- (a) Examination of canceled extract. Part B of the Form 757 shall be examined to determine that it has been prepared in accordance with section 316. The information on the Forms 716 should agree with the respective entries on Form 757, and the totals of Part B shall be verified. Any errors therein shall be corrected by circling the incorrect entries and entering immediately above them the correct entries.
- (b) Acknowledging receipt of canceled extract. At the time Form 757 for a balance period is completed (see section 310(c)), the total of any canceled extracts received for the preceding balance period shall be entered in columns B through J, Part II, Form 757. If the tabulation or total of any canceled extract was in error, a letter setting forth the nature of the error shall be forwarded to the county from which the canceled extract was received with the Form 757 for the succeeding balance period.
- (c) Record on Form 553-A. Canceled extracts shall be recorded on the Form 553-A for the balance period shown on the Form 757 on which the canceled extracts are listed in Part II.

The entries on Form 553-A for the canceled extract shall be made on the first available line of the Form 553-A in the following manner:

1. In column A enter the date on which the canceled extracts were received.
2. In column B enter the letter "R", the code number of the county returning the extracts, and the transmittal number of Form 757 on which the canceled extracts are listed in Part B. For example, "R-047-6."
3. In column L enter in red (to indicate a minus entry) the net weight of the cotton covered by the canceled extracts as shown in column I, Part B, Form 757.
4. In column M enter in black (to indicate a positive entry) the net weight of the cotton covered by the canceled extracts as shown in column I, Part B, Form 757.

(d) Filing Forms 716. The Forms 716 returned shall be filed in a farm file or in the suspense file for the gin, as the case may be. If the cotton is subsequently re-extracted, Form 757 must be executed in accordance with section 315.

Sec. 318 Handling reports of cotton produced in a prior year. Forms 716 received as reports of the ginning or purchase in the seed of cotton produced in a prior year shall not be recorded on the county office records of cotton production. The Forms 716 shall be plainly marked to indicate the year in which the cotton was produced and filed in the farm folder in order that the production may be taken into consideration in establishing yields for subsequent years. Forms 716 for cotton produced in another county in a prior year shall be mailed to that county and shall not be listed on Form 757.

Sec. 319 Long staple cotton. The reports of cotton ginned on roller gin stands shall be handled in every respect as provided in the foregoing sections of this Part III by establishing completely separate records and using separate forms with the words "Long Staple" entered above the titles thereof. If any cotton included in these records as long staple cotton is subsequently determined not to be long staple cotton, it shall be transferred from the long staple records to the records for other cotton. The Forms 716 for long staple cotton shall be plainly marked "Long Staple Cotton."

Sec. 320 Summary of cotton production for farms. At the close of the ginning season, the total cotton production for each farm

must be ascertained and permanently recorded. Each State office will prescribe a final date for the completion of this work and designate the form(s) on which the production will be recorded in line with their need for the data, giving due consideration to the uses made of the records of cotton production in connection with other agricultural programs.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT AGENCY

INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS

PART V. COUNTY OFFICE INSTRUCTIONS PERTAINING TO DEPOSITS,
REFUNDS, AND TRANSFERS OF COLLECTIONS

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Section 501 General instructions.

- (a) Applicability of instructions. Part V of these instructions outlines the nature of certain forms, the procedure to be followed in county offices in receiving and disposing of funds received in connection with cotton marketing quotas, and the certification of refunds of the amounts received in excess of the marketing quota penalties incurred. [The treasurer of the county committee (herein referred to as the "treasurer") is authorized to receive the amounts remitted in connection with the penalties and is required to keep, or immediately supervise the keeping of, the records, accounts, and files prescribed by the regulations and provided for in these instructions. Each form mentioned herein is a "cotton" form unless otherwise designated.]
- (b) Audit of records in connection with penalties. The prescribed records, reports, accounts, and files shall at all times be subject to examination and audit by authorized representatives of the Secretary of Agriculture or the War Food Administrator. When any treasurer is succeeded in office, the retiring treasurer shall prepare a statement of the status of the records, reports, accounts, and files and transmit it to the State office. The report shall show, among other things, the use and disposition of serially numbered forms consigned to the county committee and the amount of money received and the amount thereof authorized to be refunded or to be scheduled for transfer into the general fund of the Treasury of the United States (herein referred to as "general fund"). The incoming treasurer shall be furnished with a copy of the report and he shall report to the State office whether the report is true and complete. If the retiring treasurer is not in a position to prepare the report, the report shall be prepared and filed by the incoming treasurer. A representative of the State office shall also examine the records, reports, accounts, and files to determine whether the reports of the incoming and retiring treasurers are correct.
- (c) Forms. The following forms will be used in connection with these instructions:
- Form 419 "Receipt for Penalty Remitted or Money
Deposited to Secure Payment of the Penalty"
- Form 419-A "Receipt for Penalty Remitted by Producer
Prior to the Marketing of Cotton"

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Form 359 "Schedule of Remittances - Cotton
Marketing Quotas"

MQ-1 "Record of Cash Receipts and Disbursements"

(d) Maintaining files and records. The following files must be maintained in the county office for each marketing year:

1. Files for receipts for penalty remitted or money deposited to secure payment of penalty. Copies of Forms 419 and 419-A, executed or voided, shall be arranged in the county office in inverse numerical sequence and securely fastened in a manila folder labeled "194__ Receipts - Cotton."
2. Files for transmittal of remittances. Forms 359 shall be filed in a manila folder labeled "194__ Schedules of Remittances - Cotton." The second carbon copy of Form 359 shall be arranged in inverse numerical order of the transmittal number and securely fastened to the right side of the folder (that is, the side with the tab for the label). The original copy of Form 359 which is received by the county office as a receipt for the schedule shall be securely fastened to the left side of the folder. The receipted forms should be compared with the copies at least bi-monthly to determine that receipted forms are being received currently.. If not, the State office should be requested to return the missing receipt(s).

Sec. 502 Receipt of remittances.

- (a) Form of remittances. The amounts received in connection with cotton marketing quota penalties may be accepted only in legal tender or in the form of checks, drafts, or money orders made payable to the order of the Treasurer of the United States, except that funds tendered to be held in escrow, to secure the payment of the penalty, or to replace an uncollectible remittance previously received must be in legal tender, cashier's check, certified check, or money order made payable to the order of the Treasurer of the United States. Each check, draft, or money order made payable to the

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the remittance will be scheduled for deposit. If a postal money order cannot be purchased on the day of the receipt of the funds, every possible safeguard must be taken to prevent the theft of the cash. The expense involved in purchasing postal money orders shall be paid from funds provided for the administrative expenses of the county agricultural conservation association.

- (b) Examination of remittances. Each check, draft, or money order tendered in payment of penalties shall be examined to determine that it may be negotiated by the Disbursing Officer. A check, draft, or money order to be negotiable must be (1) properly dated, (2) drawn payable to the order of the Treasurer of the United States, or in a manner to permit endorsement to that official, (3) signed, and (4) must show an exact agreement between the amount as expressed in figures and the written amount. Non-negotiable items should be returned to the remitter with a letter citing the reasons the remittance is not negotiable and requesting that an acceptable remittance be tendered. Any checks, drafts, or money orders drawn payable to "Agricultural Adjustment Agency," "Department of Agriculture," or in a similar impersonal manner may (if otherwise negotiable) be accepted. Checks, drafts, or money orders drawn payable to some person other than the Treasurer of the United States must first be endorsed "Pay to the order of the Treasurer of the United States" over the signature (and title) of the payee named therein (or by the last endorsee) or by some person by him duly authorized through a power of attorney to endorse for him and on his behalf, who must enter the name of the payee followed by his signature. Any checks drawn payable to the Agricultural Adjustment Agency or the United States Department of Agriculture will be endorsed in the State office. In view of the difficulty and inconveniences in securing the endorsement of the Secretary of Agriculture or other official not located in the State or county office, a remittance so payable should be returned to the remitter with a request that he tender a check, draft, or money order payable to the order of the Treasurer of the United States.
- (c) Time of remittance. The penalty is due at the time cotton is marketed and must be remitted to the treasurer not later than 30 calendar days next succeeding the day on which the cotton was marketed. The penalty may be remitted at any time within the 30-day period. If a buyer fails or

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refuses to remit the penalty due within 30 calendar days after the cotton was marketed, he must remit interest thereon at 6 percent per annum. In the event of failure to remit the interest, the buyer shall be so notified and requested to remit the amount thereof. The exceptions to the foregoing rule are as follows: (1) The penalty may be remitted by the producer prior to the time the cotton is marketed; (2) The penalty, in case a bond of indemnity is accepted to secure the payment of the penalty for a farm, is required to be remitted at the time the farm operator's report for the farm is required to be submitted; and (3) The estimated amount of the penalty to be incurred for a farm may be remitted prior to the time any cotton is marketed in connection with the farm to be held in escrow to secure the amount of the penalty. If any funds are not received within such specified time, the delay should be called to the attention of the remitter in writing. Continued failure to observe the specified time limits on the part of a remitter should be referred to the State office for appropriate handling.

Sec. 503 Issuing receipts for penalties remitted.

- (a) Issuing receipts for amounts received in payment of the penalty for cotton marketed. The treasurer shall issue a receipt on Form 419 to the person remitting the penalty in connection with cotton which has been marketed. Form 419 shall be executed in triplicate as follows:
1. In the space provided enter the State and county code number.
 2. In the space provided enter the marketing year, as, for example, "1943-44." The marketing year to be so entered in each case shall be the marketing year in which the penalty remitted was actually incurred. If, for example, cotton was marketed subject to penalty on October 15, 1942, and the penalty incurred was remitted on September 5, 1943, the marketing year to be entered on Form 419 would be "1942-43."
 3. Above the words "Name of remitter" and "Full mail address" enter the name and address, respectively, of the person from whom the treasurer received the remittance.

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4. In the space following the words "the sum of" enter, in writing, the amount of the remittance, as, for example, "Twenty-five and No/100."
5. Draw a line through the words "as security for payment of the penalty."
6. In column (1) enter the serial number for each farm in connection with which the remittance was made. If the farm is located in another county, the serial number shall be preceded by the State and county code number.
7. In column (2) enter the printed serial number of each buyer's 1/ report covering the transactions for which the remittance was made. The report of the transaction will be either the certificate accompanying the excess marketing card by which the cotton was identified when marketed or the certificate on which the buyer is required to report the purchase of unidentified cotton (Form 530). In case of a Form 530, the letter "U" preceding the printed serial number should be entered on the Form 419. If the penalty is remitted by the producer in connection with a transaction for which the buyer did not make a report and collect the penalty or if the penalty is paid by the principal or surety under a bond of indemnity, no entry should be made in column (2).
8. In column (3) enter the name of the producer from whom the buyer purchased or received the cotton or the name of the producer for whom the penalty was paid.
9. Strike the numeral "3" in the heading of column (5) and enter the rate applicable for the marketing year and enter in column (5) the number of pounds of cotton for which the penalty at such rate was remitted.
10. In column 6 enter the amount of the remittance received in connection with each farm.

1/ The word "buyer" as used herein shall also be construed as referring to a transferee who collects and remits penalties pursuant to section 702(b) of the regulations.

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11. Opposite the word "Total" on the front of the receipt, enter in columns (5) and (6) the sum of the entries, respectively, in columns (5) and (6) on the front and reverse side of the receipt. The total of column (6) must agree with the total amount of the remittance received.
 12. If the funds received are in the form of cash, or partly in the form of cash, enter the word "Cash" in column (B) and enter the amount thereof in column (D). After a postal money order has been purchased, enter on the first and second copies (not on the original) in column (B) the letters "USPMO" followed by the name of the post office, in column (C) the serial number of the postal money order, and in column (A) the date thereof.
 13. If the remittance is in the form of a check, draft, or money order, it shall be described in the receipt as follows:
 - a. In column (A) enter the date of the check, draft, or money order.
 - b. In column (B) enter the name of the person who signed the check or draft or who obtained the money order, except that in the case of a cashier's check or certified check the letters "CC" shall be entered.
 - c. In column (C) enter the name of the bank, firm, or person on which the check or draft was drawn or, in the case of a postal money order, the letters "USPMO" followed by the name of the issuing post office and the serial number of the postal money order.
 - d. In column (D) enter the amount of the check, draft, or money order and opposite the word "Total" enter the sum of the entries made therein.
 14. The treasurer shall sign the original and two copies and enter the date of his signature.
- (b) Receipts where amount remitted is less than amount due from the buyer. In each case where the amount of the money received as the penalty is less than the amount which should

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have been remitted by the buyer, a receipt on Form 419 for the amount actually received shall be issued to the remitter. The Form 419 shall be prepared in every respect as outlined in paragraph (a) of this section with the following exceptions which are applicable only to the execution of column (6) of Form 419:

1. A single buyer's report. In the case of a remittance intended to cover a transaction shown on a single buyer's report, there shall be entered in column (6) of Form 419 the amount of the remittance actually received.
2. Incorrectly executed buyer's report. In cases where the buyer's report is executed incorrectly and shows the collection of an amount smaller than the penalty actually incurred, there shall be entered in column (6) of Form 419 the erroneous amount shown in the report to have been collected for the farm.
3. Several correctly executed buyer's reports. In case several correctly executed buyer's reports are accompanied with a remittance from the buyer, which remittance is less than the sum of the amounts shown thereon to have been collected from the producers, the deficiency in the amount of the remittance shall, unless the buyer otherwise directs, be charged to the reports intended to be covered by the remittance in the inverse order of the dates of sale covered thereby and so recorded in column (6) of Form 419. For example, if a remittance for \$10.00 less than the penalty incurred for sales on September 1, September 5, September 7, and September 11 is received, the deficiency will first be charged to the September 11 sale up to but not in excess of the penalty incurred in that sale and then any balance of the deficiency will be charged to the September 7 sale up to but not in excess of the penalty incurred in that sale, and so on until the total deficiency is absorbed as follows: If the penalty actually incurred on the September 11 sale is \$5.00 and on the September 7 sale is \$15.00, the entry in column (6) on Form 419 for the September 11 sale will be zero and for the September 7 sale will be \$10.00, and the entries for the remaining sales will be for the full amount of the penalties incurred.
4. Subsequent remittance of deficiency. When the deficiency, or a part thereof, is remitted, a new Form 419 for the amount of the deficiency received shall be prepared. The buyer's reports charged with the deficiency, or a part

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thereof; shall be described in the new Form 419 in the manner provided in paragraph (a) of this section except that the word "Additional" shall be entered directly above the farm serial number and the entry in column (6) therefor will be the additional amount remitted.

- (c) Receipts where amount remitted is more than amount due from a buyer or where the farm serial number is not shown on the certificate received from the buyer. In cases where the total amount of money received from a particular buyer is in excess of the penalties incurred as reflected by the reports of the buyer or the farm serial number is not shown on the reports, a receipt on Form 419 for the amount actually received shall be issued to the remitter. The Form 419 shall be prepared in every respect as outlined in paragraph (a) of this section with the following exceptions:
1. A record of each buyer's report shall be made in columns (1) through (5) of Form 419 and the amount shown on the report to have been collected in connection therewith shall be entered in column (6), except that if the farm serial number is not shown on a report on Form 530, make no entry in column (1) for the report.
 2. In column (1), after listing the information with respect to the buyer's reports, enter the word "Suspense."
 3. In column (6) opposite the word "Suspense" enter the amount of the payment which is in excess of the amount indicated by the reports.
 4. Columns (A) through (D) shall be executed to describe the remittance as received.
- (d) Receipts where amount remitted is less than amount due because of an incorrect rate of penalty. In each case where the amount of money received as the penalty is less than the amount which should have been remitted because the remitter computed the penalty using an erroneous rate of penalty, a receipt on Form 419 for the amount actually received shall be issued to the remitter. The Form 419 shall be prepared in every respect

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as outlined in paragraph (a) of this section except that the following notation shall be made on the next available line, columns (1) through (5), "Accepted in partial payment of the penalty actually due. Balance due has been computed as \$ _____."

- (e) Receipts for interest on delayed remittances. The treasurer shall issue a receipt on Form 419 to the person remitting interest on a delayed remittance. The Form 419 shall be prepared in every respect as outlined in paragraph (a) of this section except that the word "Interest" shall be entered in column (3). Each entry for interest shall be identified by the farm serial number of the farm in connection with which the delayed remittance was received.
- (f) Issuing receipts for funds to be held in escrow. The treasurer shall issue a receipt on Form 419 to the person depositing the funds to be held in escrow to secure payment of the penalty for a farm. The receipt shall be prepared as outlined in paragraph (a) of this section with the exception that the words "in payment of the penalty" shall be deleted instead of the words "as security for payment of the penalty."
- (g) Issuing receipts for penalties paid by the producer prior to the marketing of cotton. If a producer tenders the penalty for which he would be liable upon the marketing of any cotton prior to the time such cotton is marketed, the treasurer shall issue a receipt therefor on Form 419-A, prepared in quadruplicate, distributed, and dealt with as follows:
 - 1. A separate receipt shall be prepared for each bale of cotton with respect to which the penalty is tendered.
 - 2. In the spaces indicated enter the printed serial number of the producer's marketing card and the State and county code number and the designation of the marketing year in which the amount is received.
 - 3. Above the words "Name of producer" and "Full mail address" enter the name and address, respectively, of the producer.
 - 4. In the space following the words "the sum of" enter, in words, the amount of the penalty paid, as, for example, "Forty and No/100."

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5. In the space following the words "one bale containing" enter the net weight of the bale of cotton with respect to which the penalty is tendered. The net weight to be shown on Form 419-A shall be taken from (i) Form 716 in the case of cotton of the current crop and (ii) Form 450, 450-A, or the inspection record, in the case of carry-over penalty cotton from a prior crop.
 6. In the space following the words "or mark" enter the gin bale number or mark of such bale.
 7. In the space following the words "serial No." enter the serial number of the farm.
 8. After the dollar mark above the word "Amount" enter, in figures, the amount of the penalty tendered with respect to such bale, which must agree with the amount thereof entered after the words "the sum of."
 9. The treasurer shall sign the original and the three copies and enter on each the date of his signature.
 10. The producer shall sign his name in the space indicated on the original and the three copies and enter on each the date of his signature.
- (h) Accounting for receipts on Form 419 and Form 419-A. The receipts on Forms 419 and 419-A will be consigned to the treasurer in pads or units of 50 receipts with printed serial numbers in numerical sequence. The receipts on either Form 419 or 419-A must be issued in numerical sequence, regardless of the marketing years, and the use or disposition of each receipt must be accounted for by the treasurer. If a Form 419 or 419-A is mutilated or improperly prepared, the original and all copies of the mutilated or improperly prepared receipt shall be saved in order to account for the disposition of the receipt. All copies of each mutilated or improperly prepared receipt marked "Void" or "Canceled" shall be listed on Form 359 as outlined in section 504 and transmitted, with an explanation, to the State office. Proof of the loss or complete destruction of any Form 419 or 419-A is required and should be transmitted to the State office with the Form 359 on which the receipt would otherwise have been listed.

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Sec. 504 Letter of transmittal for remitting penalties to the State committee. The funds received during a day by the treasurer shall be scheduled on Form 359 for transmittal to the State office. A separate letter of transmittal on Form 359 shall be prepared for the amounts received for each marketing year, as, for example, if funds were received during the day for penalties incurred during the 1939-40 marketing year and also for penalties incurred during the 1943-44 marketing year, two separate Forms 359 would be prepared to accompany the amounts received for the respective marketing years. Form 359 shall be prepared in triplicate as follows:

1. In the spaces indicated enter (i) the transmittal number, beginning with 1 for the first schedule and continuing thereafter in numerical sequence for the marketing year, (ii) the State and county code number, and (iii) the sheet number and total number of sheets in the schedule.
2. In the space provided enter the designation of the marketing year in which the penalties covered by the letter of transmittal were incurred, that is, the marketing year in which the cotton was marketed or for which the remittance was given to secure the payment of the penalties.
3. In either column 1, column 4, or column 7 enter in numerical sequence the printed serial numbers of Forms 419 covering the penalties for the marketing year for which Form 359 is prepared and delete the designation "319" which is printed in the heading of the column and insert in lieu thereof "419."
4. In either column 2, column 5, or column 8 enter in numerical sequence the printed serial numbers of Forms 419-A and delete the designation "319-A" which is printed in the heading of the column and insert in lieu thereof "419-A." The printed serial numbers of Forms 419-A shall be listed after Forms 419 have been listed and shall be listed only on a Form 359 covering penalties incurred during the current marketing year.
5. In either column 3, column 6, or column 9 enter the amount covered by each Form 419 and 419-A. After the word "Total" in column 9 enter the sum of the entries in columns 3, 6, and 9.

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6. The treasurer shall execute Part I by signing and dating the original and two copies and by altering the reference therein to "Forms Cotton 319 and 319-A" so that it will read "Forms Cotton 419 and 419-A."

Sec. 505 Record on form MQ-1 of funds received in connection with farms for which farm accounts on Form 450 or 450-A have been established.

- (a) Preparation of form MQ-1. A form MQ-1 shall be prepared for each marketing year for the purpose of recording the amounts of the penalties received in connection with cotton marketed during the marketing year and funds received to secure the payment of penalties for the marketing year with respect to farms for which accounts on Form 450 or 450-A have been established. Enter above the heading of form MQ-1 the word "Cotton" and in the spaces provided enter the name of the treasurer, the names of the State and county and the code number thereof, and the marketing year.
- (b) Record of funds to be held in escrow. The treasurer shall record the receipt of funds to be held in escrow in Part I of the form MQ-1 for the marketing year as follows:
 1. In column (1) enter the date of Form 419.
 2. In column (2) enter the printed serial number of Form 419.
 3. In column (3) enter the farm serial number.
 4. In column (4) enter the amount of the funds received as shown on Form 419.
 5. In column (5) enter the transmittal number of the Form 359 on which the funds were transmitted to the State office.
- (c) Record of amounts received other than funds to be held in escrow. The treasurer shall record the receipt of amounts other than funds to be held in escrow in Part II of form MQ-1 for the marketing year as follows:
 1. In column (10) enter the date on which the funds were received as indicated by the date of Form 419.

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2. Make no entry in column (11).
3. In column (12) enter the printed serial number of Form 419. If the receipt covers remittances for more than one farm, make only one entry in column (12) for all of the farms covered thereby.
4. In column (13) enter on separate consecutive lines the farm serial number of each farm as shown on Form 419.
5. In column (14) enter on separate consecutive lines the amount of the funds received for each farm for which an entry is made under item (4).
6. If Form 419 shows a collection for interest, enter in column (13) following the respective farm serial number the word "Interest" and enter the amount of interest in column (14).
7. In column (15) enter the transmittal number of the Form 359 on which the funds were transmitted to the State office.
8. If the checks, drafts, or money orders received are not honored upon presentment for payment, an entry in red duplicating the information previously entered in Part II of form MQ-1 shall be made in columns (10) through (15) thereof. If an entry in red is made, the total of column (14) of form MQ-1 shall be the sum of the other entries therein minus the sum of the red entries.
9. If subsequently the amount of the dishonored checks, drafts, or money orders is remitted, the procedure outlined above in this subsection shall be followed.
10. If the receipt on Form 419, as provided in paragraph (c) of this section, lists a farm for which no entry appears in column (6), no entry shall be made on form MQ-1 for the farm. The unpaid penalty for the farm and the reference to Form 419 issued in connection therewith shall be entered on form MQ-1 when it is remitted.

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Sec. 506 Record on form MQ-1 of funds received in connection with farms for which accounts on Form 450 or 450-A have not been established, farms not located in the county, and farms for which the serial number is not known.

- (a) Preparation of form MQ-1. A form MQ-1 shall be prepared as provided in section 505(a) except that the words "Farms for which accounts on Form 450 or 450-A are not established, farms for which the serial number is not known, and farms not located in the county" shall be entered near the heading of the form.
- (b) Record of amounts received. Amounts received which are not to be recorded on the form MQ-1 as provided in section 505 shall be recorded by the treasurer on the form MQ-1 prepared as provided in paragraph (a) of this section as follows:
 1. In columns (1) through (5) enter the name and address of the buyer or transferee who remitted the amount received as shown on Form 419.
 2. In columns (6) through (9) enter the name and address, if known, of the producer of the cotton as shown on Form 530, if any.
 3. In column (10) enter the date the funds were received, as shown on Form 419.
 4. In column (11) enter the serial number of Form 530, if any, or, if the word "Suspense" was entered on Form 419, enter the word "Suspense" in column (11).
 5. In column (12) enter the serial number of Form 419. If the receipt covers remittances for more than one farm, make only one entry in column (12) for the farms covered thereby.
 6. In column (13) enter the farm serial number, if known, or, if not known, enter the words "Not known." If the farm is located in another county, also enter the name of the State and county in which the farm is located, or, if not known, enter the words "Not known." The farm serial number and the name of the State and county in which the farm is located usually may be obtained from Form 530; if not shown on Form 530, an

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effort should be made to ascertain the serial number and the location of the farm. This might be done by writing the person from whom the funds were received and the treasurer of the county in which the producer's address is located and the adjoining counties.

7. In column (14) enter the amount received in connection with the farm or shown on Form 419 as "Suspense" or on Form 530, as the case may be.
8. In column (15) enter the transmittal number of Form 359 on which the funds were transmitted to the State office.
9. If the word "Suspense" is entered in column (11) or the words "Not known" are entered in column (13) and it is subsequently determined that all or part of the amount in column (14) was received in connection with a farm in the county and with respect to which an account on Form 450 or 450-A was required to be established, make entries in red in columns (1) through (15) in the manner outlined in items 1 through 8 of this paragraph (b), except that the entry in column (14) will be the amount determined to have been received in connection with the farm. Corresponding entries in black shall be made on form MQ-1 prepared pursuant to section 505(a) and in the manner set forth in paragraph (c) thereof. If it is determined that all of the amount received, as shown on Form 530, or shown on Form 419 as "Suspense," was received in connection with a farm in the county for which an account on Form 450 or 450-A is not required to be established, line out the words "Not known" in column (13) of the form MQ-1 prepared as provided in this section and enter above such words the farm serial number. If only part of the amount was determined to have been received in connection with the farm, make entries in red on the next available line of form MQ-1 by entering in column (11) the word "Suspense" or the serial number of Form 530, as the case may be, in column (12) the serial number of Form 419, in column (13) the farm serial number, and in column (14) the amount determined to have been received in connection with the farm. On the next line make comparable entries in black in columns (12), (13), and (14), and make no entry in column (11). In

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all cases where any part of the amount originally credited to "Suspense" or identified with a Form 530 for which the farm serial number was not originally known or the county in which the farm is located was not known is later determined to have been collected for a particular farm, the treasurer shall advise the State office by letter of the determination. The letter shall contain the following information and a copy thereof shall be stapled to the Form 419 to which it relates:

- a. The printed serial number of Form 419 and the transmittal number of Form 359 on which the funds were recorded.
- b. The name of the remitter and the total amount of the remittance as shown on Form 419.
- c. The amount originally recorded as "Suspense" or for Form 530, as the case may be.
- d. The farm serial number of the farm to be credited with any part of the amount recorded as "Suspense" or for Form 530, as the case may be.
- e. The amount to be credited to the farm.

Sec. 507 Forwarding remittances to the State office. All funds received by the treasurer in connection with cotton marketing quotas shall be transmitted by him on the day received, or not later than the morning of the succeeding day, to the State office. The original and first carbon copy (the yellow copy) of Form 359 and the copies of Form 419 (the yellow copy thereof) and 419-A (the salmon copy thereof) shall accompany the remittance.

Sec. 508 Uncollectible items. If any check, draft, or money order is not honored upon presentment for payment, the check, draft, or money order will be returned through the State office to the treasurer. The treasurer shall notify the drawer of the check or draft, or the person who obtained the money order, of the return of the item and the reasons therefor, and he shall be requested to make a remittance in the amount due in the form of cash, postal money order, cashier's check, or certified check. The original item shall not be delivered to the remitter until an acceptable item is presented. An entry in red duplicating the information previously entered in connection with the remittance shall be made on form MQ-1 prepared pursuant to sections 505 and 506. The total of the original Form 369 shall be lined out and the original

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total thereof less the total amount of the uncollectible items shall be entered in lieu thereof and the entry initialed and dated by the treasurer. Enter the word "Uncollectible" opposite the entry for the uncollectible item on Form 359. A new remittance replacing the one previously returned as being uncollectible shall be handled in every respect as if it were an original item, with the exception that a notation shall be made in the body of the new Form 359 that the remittance represents the recovery of the amount of the uncollectible remittance previously scheduled under transmittal No. _____ of Form 359 and schedule No. _____ of Standard Form No. 1044-Revised, and for which the receipt on Form 419 (or 419-A) No. _____ was issued.

Sec. 509 Marketing quota indebtedness register. A register of indebtedness for each marketing year shall be established for all cases where the buyer's remittance is less than the amount of the penalty incurred and where no remittance is received for a penalty incurred or an uncollectible remittance is returned. A separate form MQ-1 shall be used for this purpose, and the title thereof is altered to read "Marketing Quota Indebtedness Register" followed by the designation of the marketing year. The detailed execution of the indebtedness register shall be as follows:

1. In column (1) enter the date on which the county office received the buyer's report of the transaction which is charged with a portion or all of the deficiency, unpaid penalty, or unpaid interest.
[Comment: A transferee shall be placed on the register of indebtedness only if the report of the transaction shows that the penalty was collected by him but the amount collected by him has not been remitted.]
2. In column (2) enter the printed serial number of Form 419 or, if no Form 419 was prepared because the report of the buyer was not accompanied with any remittance, enter the word "None."
3. In column (3) enter on separate consecutive lines the farm serial number of each farm charged with the deficiency as shown on Form 419 or, if no Form 419 was prepared, the farm serial number of each farm as shown on the buyer's report which was not accompanied with any remittance.
4. In column (4) enter the amount of the deficiency, unpaid penalty, or unpaid interest for each farm. In

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the case of a deficiency or unpaid penalty, a notation shall be made to indicate that interest is to be computed at the time settlement of the indebtedness is effected.

5. In column (5) enter the serial number of the buyer's report of the transaction which is charged with the deficiency, unpaid penalty, or unpaid interest. In recording the serial number of any buyer's or transferee's report, the entry shall be preceded by the letters "CR" or "U" as the case requires.
6. The remaining space in columns (10) through (21) may be used for entering the name and address of the buyer who is placed on the register and for noting briefly any information regarding the non-payment which the county office may desire.
7. When any deficiency, unpaid penalty, or unpaid interest is received, the record of the receipt thereof shall be made opposite the entry previously made in columns (1) through (5) of form MQ-1 as follows:
 - a. In column (6) enter the date the remittance was received as shown on the new Form 419.
 - b. In column (7) enter the serial number of the new Form 419.
 - c. Make no entry in column (8).
 - d. In column (9) enter the amount of the remittance.

Sec. 510 Refunds or transfers in connection with farms for which accounts on Form 450 or 450-A are required to be established.

- (a) Conditions under which refunds may be made to producers.
No refund of money received in connection with the marketing during any marketing year of cotton on any farm for which a farm account on Form 450 or 450-A is required to be established shall be made under this section unless and until the following conditions have been met:
 1. The farm marketing quota for the farm has been finally determined and finally apportioned or

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reapportioned among the producers thereon in accordance with instructions applicable to the marketing year.

2. The money collected has been remitted to the treasurer and transmitted by him to the State office for deposit in the special deposit account and has not been transferred out of the special deposit account into the general fund.
 3. The farm operator's final report for the marketing year has been made and approved by the county committee.
 4. The interest of every person on the farm in the money received in connection with the marketing of cotton is determined.
 5. The total amount of money received is in excess of the sum of the penalties incurred by the producers on the farm in connection with the marketing of cotton in excess of their respective shares of the farm marketing quota for the marketing year.
 6. The county committee has examined the records with respect to the farm for the marketing year and has approved such records as being correct.
 7. A State office representative has examined the records with respect to the farm for the marketing year and has approved such records as being correct.
- (b) Determination of refunds in connection with penalties paid. Each producer on the farm shall be entitled to a refund of the amount computed for him on the farm account established for the farm for the marketing year, provided the conditions set forth in the preceding paragraph of this section have been met and the county committee is satisfied that such producer bore the burden of the payment of such amount and has not been reimbursed therefor by any other person. If any other person has reimbursed such producer, such other person shall be entitled to receive a refund to the extent of the amount which he reimbursed the producer. Notwithstanding that the conditions set forth in paragraphs 1 and 3 of paragraph (a) of this section have not been met, refunds may be made to the producers on a farm, provided

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the county committee determines no penalties will be incurred for the reason that the final farm marketing quota will equal or exceed the sum of (1) the cotton produced on the farm in the calendar year in which the marketing year begins and (2) the carry-over cotton designated to be marketed in connection with the farm for the marketing year.

- (c) Determination of refunds in connection with funds in escrow. Refunds to producers on any farm of funds deposited in escrow which are in excess of penalties incurred in connection with the marketing of cotton in excess of the farm marketing quota shall be made to the person(s) who deposited such funds with the treasurer. No refund shall be made under this paragraph until the conditions set forth in paragraph (a) of this section have been met. No refund shall be made under this paragraph before the close of the marketing year unless either all cotton (including all cotton produced on the farm in the calendar year in which the marketing year begins and all carry-over cotton designated to be marketed in connection with the farm during the marketing year) has been marketed or, if it has not been marketed, it has been determined that no penalties will become due with respect to the marketing of such cotton if such cotton would be marketed during such marketing year. No refunds shall be made under this paragraph at the close of the marketing year of an amount greater than the amount by which the funds deposited in escrow exceed the penalties which will become due with respect to the marketing of any cotton not marketed as of that date.
- (d) Conditions under which transfers shall be made where total collections do not exceed penalties incurred. If (1) a final operator's report has been made for any farm, (2) the farm account for the farm has been approved by the county committee, and (3) it is determined that the total collections and remittances of money for the farm are not in excess of penalties incurred in connection with the marketing of cotton on the farm for the marketing year, the amount so collected and remitted shall be transferred to the general fund.
- (e) Notice to State committee of refunds and transfers. As soon as possible after the conditions set forth in paragraph (a), (b), or (c), whichever is applicable, have been met in connection with a farm, the county committee shall

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notify the State committee of (1) the amount collected and credited to the farm account, (2) the amount thereof to be transferred to the general fund, (3) the amounts to be refunded, if any, (4) the names and addresses of the persons to whom such refunds are to be made, and (5) the amounts, if any, to be retained in the special deposit account. Such notice shall be made on Form 561, "Report on Farm Account - Cotton Marketing Quotas."

(f) Preparation of Form 561 for farm accounts. Form 561 shall be prepared in duplicate as follows:

1. In the space provided enter the State and county code and farm serial number.
2. In the space provided enter the sheet number and the total number of sheets of Form 561 required to list the information for the farm.
3. In the space provided enter the marketing year.
4. In the spaces provided at the heading of the columns enter (1) the farm acreage allotment, (2) the normal yield per acre, (3) the acreage planted to cotton, (4) the actual yield per acre, and (5) the amount of carry-over penalty free cotton carried over into the marketing year for which the Form 561 is prepared which is not under a Commodity Credit Corporation loan at the time the Form 561 is prepared or the end of the marketing year, whichever is earlier. Such information will be taken from the farm account on Form 450 or 450-A established for the farm for the marketing year.
5. In column A enter the name and address of each person on the farm in the order in which they appear on the farm account, and, if such person is deceased or has been declared incompetent, enter after his name the word "Deceased" or "Incompetent" as the case may be.
6. In column B for each producer enter the amount of his share of the production of the farm as shown on the farm account.
7. In column C for each producer enter his final producer marketing quota as shown on the farm account.

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8. In column D for each producer enter his respective share of the amount of cotton marketed as shown on the farm account.
9. In column E enter for each producer the amount of penalties incurred by him as shown on the farm account. Comment: For each producer the entry in column E should be the amount by which the entry in column D exceeds the entry in column C times the rate of penalty applicable for cotton produced in the marketing year.
10. In column F enter for each producer the amount of money collected as shown for him on the farm account. Enter above such amount the amount of interest collected in connection with delayed remittances with respect to cotton marketed by the producer and encircle the amount.
11. In the heading of column G enter the total amount of penalties incurred for the farm which is in excess of the amount collected for the farm as shown on the farm account. Comment: To check the accuracy of this entry, subtract the unencircled total of column F from the total of column E. The result should equal the amount of penalties incurred but not paid.
12. In column G for each producer enter the amount of penalties incurred but not paid by him as shown on the farm account. Comment: To check the accuracy of this entry, subtract the entry in column F from the entry in column E.
13. In column H for each producer enter the amount by which the entry in column F exceeds the entry in column E, if any.
14. Make no entry in the heading of column I.
15. In column I for each producer enter the amount to be transferred to the general fund as shown on the farm account. Comment: To check the accuracy of this entry, subtract the amount in column J from the entry in column F and add the encircled entries in column F.

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16. Make no entry in the heading of column J.
17. In column J for each producer enter the amount to be refunded to him as shown on the farm account.
18. The amount, if any, in the heading of column G must equal the amount by which the sum of the entries in column E exceeds the sum of the unencircled entries in column F. The sum of the entries in column G need not necessarily equal the amount in the heading thereof.
19. The sum of the entries, if any, in column J must equal the amount by which the sum of the unencircled entries in column F exceeds the sum of the entries in column E.
20. In the event funds in escrow are to be transferred to the next marketing year to secure the penalty on carry-over penalty cotton, enter in column A the words "Funds in escrow to be transferred to the 194_-4_ marketing year" and the amount of such funds.
21. List in the spaces provided the name of each producer having an interest in other farms and the State and county code and farm serial number of each such farm.
22. Enter beneath the words "Schedule No. of Standard Form No. 1044-Revised" the schedule number of each Standard Form No. 1044-Revised on which remittances for the farm were scheduled for deposit to the special deposit account and beneath the words "Serial No. of Form 419 or 419-A" enter the serial number of the Form 419 or 419-A on which amounts were shown to have been collected and remitted for the farm, and beneath the word "Amount" enter the amount collected for the farm as shown on the Form 419 or 419-A, thus:

<u>Schedule No. of</u> <u>Standard Form No.</u> <u>1044-Revised</u>	<u>Serial No. of</u> <u>419 or 419-A</u>	<u>Amount</u>
43-3-50	31467	18.00
		12.00
43-3-58	31472	10.00

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If additional space is needed, use a separate sheet and attach it securely to Form 561. This information will be obtained by tracing each serial number of Forms 419 and 419-A entered on the farm account to the receipted copy of the related Form 359 on which is shown the schedule number of the Standard Form No. 1044-Revised. The sum of the entries under the word "Amount" must equal the total of column F.

23. If the county committee has found that any person shown in columns A and J as entitled to a refund has been reimbursed by another person and such other person is entitled to a refund, encircle the entry in column J and attach to Form 561 a separate statement in duplicate showing (1) the name and address of such other person, (2) the amount which he is entitled to receive as a refund, and (3) the material facts constituting the basis of the committee's finding that such person is entitled to receive such refund.
 24. The approval of Form 561 shall be indicated by a member of the committee affixing his signature in the space provided. The treasurer and the State office representative shall each affix his signature in the space provided. The Form 561 shall be submitted to the State office in duplicate. One copy of Form 561, with a copy of the statement attached, if any, will be returned by the State office.
- (g) Procedure to be followed in refunding small amounts. If the amount of refund determined for a producer is 25 cents or less, a statement signed by the treasurer shall be attached to Form 561 to the effect that a refund is not to be made to the producer. If the amount of refund determined for a producer is greater than 25 cents but less than one dollar, the producer should be advised in writing of the amount of the refund and advised that a refund will not be made unless request therefor is filed with the county office within 10 days from the date of the letter. These instructions shall not be construed as precluding the right of any producer to file a subsequent claim for the refund in accordance with the applicable instructions.

Sec. 511 Refunds in connection with farms for which accounts on Form 450 or 450-A have not been established.

- (a) Conditions under which refunds may be made. Notwithstanding the provisions of section 510, in case any funds are

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received in connection with a farm in the county for which a farm account on Form 450 or 450-A is not required to be established, a refund may be made at any time to the person(s) who the county committee determines bore the burden of the payment of the amount received, provided (1) white marketing cards not marked "Penalty Secured" or "One Thousand Pounds" were properly issued for the farm and (2) the operator of the farm or, upon his failure or refusal, the producers on the farm claiming a refund file with the committee a statement in duplicate setting forth (i) the interest of each producer in the cotton with respect to which the funds were collected or remitted, (ii) the amount collected from or paid by each such producer with respect to the cotton, and (iii) a representation that the cotton belonged to the producers on the farm and was produced on the farm or was carry-over penalty free cotton marketed in connection with the farm. As provided in the regulations, no refund shall be made to a buyer or transferee under this section if such buyer or transferee collected, or was under a duty to collect, the amount remitted.

- (b) Notice to State committee of refunds. As soon as possible after the conditions set forth in paragraph (a) of this section have been met, the county committee shall notify the State committee of (1) the amount collected in connection with the farm, (2) the amounts to be refunded, if any, and (3) the names and addresses of the persons to whom such refunds are to be made. Such notice shall be made on Form 561, "Report on Farm Account - Cotton Marketing Quotas," which shall be prepared as provided in section 510(f), except as follows:

1. The information to be entered on the form will be taken from available records in the county office.
2. The actual yield and the amount of carry-over penalty free cotton not under loan need not be entered.
3. In column A enter only the names and addresses of those producers on the farm who shared in the cotton marketed and with respect to which the collection was made.
4. In columns B and C enter a statement to the effect that no carry-over penalty cotton was designated to

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be marketed in connection with the farm.

5. In column D enter for each producer his share in the cotton marketed with respect to which the collection was made.
6. Make no entry in column E.
7. In column F enter the amount collected with respect to each producer.
8. Make no entries in columns G, H, or I, or the headings thereof.
9. In column J enter the amount to be refunded for each producer.
10. A copy of the statement required pursuant to paragraph (a) hereof shall be attached to Form 561 at the time it is forwarded to the State office.

Sec. 512 Records of refunds and transfers in connection with farms for which accounts on Form 450 or 450-A are established. A record of each refund or transfer, as shown on Form 561, prepared in connection with a farm for which an account on Form 450 or 450-A is required to be established shall be made as follows:

1. On the farm account in the space provided enter the transfer number or the serial number assigned to the refund voucher as shown in the heading of column I or J of the copy of Form 561 returned by the State office.
2. On form MQ-1, prepared as provided in section 505, for the marketing year,
 - a. In the case of funds in escrow -
 - (i) In column (6) enter the date the copy of Form 561 was returned by the State office.
 - (ii) In column (7) enter the serial number of Form 419 issued to the person depositing the funds in escrow, followed by a dash and the page number of form MQ-1 on which Form 419 is shown in column (2). Each deposit of

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funds to be held in escrow, which is represented by separate Forms 419, shall be entered on separate consecutive lines.

- (iii) In column (8) enter the farm serial number as shown on Form 419.
- (iv) In column (9) enter the amount shown for the farm on Form 419.
- (v) In column (10) enter the date the copy of Form 561 was returned by the State office.
- (vi) In column (11) enter the serial number of Form 419 as in item (ii) above.
- (vii) Make no entry in column (12).
- (viii) In column (13) enter the farm serial number.
- (ix) In column (14) enter the amount shown for the farm on Form 419.
- (x) In column (15) enter the transmittal number of the Form 359 on which the funds in escrow were scheduled to the State office.
- (xi) In column (16) enter the date the copy of Form 561 was returned by the State office.
- (xii) In column (17) enter the farm serial number.
- (xiii) Make no entry in column (18).
- (xiv) In column (19) enter the serial number of the refund voucher or the transfer number, as the case may be, as shown on the copy of Form 561 returned by the State office.
- (xv) In column (20) enter on separate consecutive lines the names of the payees, which will be the names of the persons for whom refunds were approved as shown on Form 561 or the attached statement. The first payee shall be entered on the line opposite the serial number of the refund voucher.

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- (xvi) After the names of the payees, if any, have been entered as in item (xv) above, enter in column (20) on the line next succeeding the name of the last payee the words "Penalties Account."
 - (xvii) In column (21) enter for each payee the amount shown for him in column J of Form 561 or the attached statement, if any.
 - (xviii) In column (21) enter opposite the words "Penalties Account" the total of column I of Form 561.
 - (xix) In the event there is an entry on Form 561 indicating that funds in escrow are to be transferred to a subsequent marketing year, record the disbursement in accordance with this section except that the words "Transferred to the _____ marketing year" shall be entered in column (20) and the amount so transferred shall be entered in column (21) and encircled. The amount so transferred shall be recorded on form MQ-1 prepared for the subsequent marketing year, as provided in section 505.
- b. In the case of collections not held in escrow -
- (i) In column (16) enter the date the copy of Form 561 was returned by the State office.
 - (ii) In column (17) enter the farm serial number.
 - (iii) Make no entry in column (18).
 - (iv) In column (19) enter the serial number of the refund voucher or the transfer number, as the case may be, as shown on the copy of Form 561.
 - (v) In column (20) enter on separate consecutive lines the names of the payees, which will be the names of the persons for whom refunds were approved as shown on Form 561 or the attached statement.

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- (vi) After the names of the payees, if any, have been entered as in item (v) above, enter in column (20) on the line next succeeding the name of the last payee the words "Penalties Account."
- (vii) In column (21) enter for each payee the amount shown for him in column J of Form 561 or the attached statement, if any.
- (viii) In column (21) enter opposite the words "Penalties Account" the total of column I of Form 561.

Sec. 513 Record of refunds in connection with farms for which accounts on Form 450 or 450-A have not been established. A record of each refund as shown on Form 561 prepared in connection with a farm for which an account on Form 450 or 450-A is not required to be established shall be made on form MQ-1 prepared as provided in section 506 as follows:

1. In column (16) enter the date the copy of Form 561 was returned by the State office.
2. In column (17) enter the farm serial number.
3. Make no entry in column (18).
4. In column (19) enter the serial number of the refund voucher as shown on the copy of Form 561.
5. In column (20) enter on separate consecutive lines the names of the payees, which will be the names of the persons for whom refunds were approved as shown on Form 561 or the attached statement.
6. In column (21) enter for each payee the amount shown for him in column J of Form 561 or the attached statement, if any.

Sec. 514 Extract of Form 530 received in connection with a farm located in another county.

- (a) Preparation of extract of Form 530. In case it is determined that a Form 530 received in the county was executed with respect to cotton marketed in connection with a farm which is located in another county, the treasurer shall prepare an extract thereof by transcribing all information

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shown thereon to a new Form 530 and forwarding the original of the extract to the treasurer of the county in which the farm is located. The serial number of the new Form 530 shall be lined out and the serial number of the Form 530 received from the buyer or transferee shall be entered beneath the stricken serial number. The extract shall be forwarded to the other county only after a copy of Form 359, on which Form 419 covering the transaction was scheduled, is returned by the State office. The extract shall be accompanied with a letter setting forth (1) the State and county code number of the county sending the extract, (2) the schedule number of the Standard Form No. 1044-Revised on which the collection in connection with the transaction was scheduled by the State office for deposit in the special deposit account (to be obtained from the copy of Form 359 returned by the State office), (3) the serial number and date of the Form 419 issued to the person from whom the collection was received, (4) a description of the check, draft, or money order, as described on Form 419, (5) the amount of the check, draft, or money order which represents collections in connection with the farm, and (6) the serial number of the farm and the name of the State and county in which the farm is located. The copy of the letter forwarded to the State office will constitute authority for the State office to credit the county to which the extract was sent.

(b) Record of extracts of Forms 530. A record of each extract of Form 530 shall be made on form MQ-1 prepared as provided in section 506 as follows:

1. In column (16) enter the date the extract and accompanying letters were mailed to the county in which the farm was located.
2. In column (17) enter the farm serial number preceded by the State and county code number of the county in which the farm is located.
3. In column (18) enter the serial number of Form 530.
4. Make no entry in column (19).
5. In column (20) enter the name of the State and county to which the extract was sent.
6. In column (21) enter the amount of the remittance representing collections in connection with the farm

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as shown on Form 530. [Comment: A refund or transfer of the amount collected, as represented by the extract, will be initiated by the county committee of the county to which the extract is sent.]

- (c) Record of extracts of Forms 530 received. If an extract on Form 530 and accompanying letter identifying the receipt on Form 419 and the schedule number of the Standard Form No. 1044-Revised are received from another county, a record of the extract, if it relates to a farm for which an account on Form 450 or 450-A is established, shall be made on form MQ-1 prepared as provided in section 505 in the same manner as if such Form 530 and the amount collected in connection with the farm had been received directly from a buyer or transferee. The Form 530 shall be posted to the farm account on Form 450 or 450-A. If Form 530 was executed in connection with a farm for which an account on Form 450 or 450-A is not established, a record shall be made on form MQ-1 as provided in section 506 in the same manner as if the Form 530 and the collection in connection therewith had been received directly from the buyer or transferee.
- (d) Preparation of Form 561 in a case where all or part of the collections received in connection with the farm was received in another county from which an extract on Form 530 was received. If all or part of the collections in connection with a farm was received in another county and an extract on Form 530 has been received from such county, Form 561 for the farm shall be executed as provided in section 510(f) or section 511(b), as the case may be. In preparing Form 561, the State and county code number of the county from which the extract on Form 530 was received shall be entered on the left of the schedule number of Standard Form No. 1044-Revised on which the collection represented by the extract was scheduled for deposit in the special deposit account. This information will be taken from the letter accompanying the extract on Form 530.

Sec. 515 Persons entitled to refunds who have died or been declared incompetent.

- (a) Preparation of Form 561. In case any person who the county committee determined would be entitled to a refund has died or been declared incompetent, Form 561 shall be prepared as in other cases except that the name of such person shall be entered on Form 561 followed by the word "Deceased" or "Incompetent," as the case may be.

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- (b) Preparation of Standard Form No. 1055. Standard Form No. 1055 shall be prepared in accordance with the County Office Claims Procedure.
- (c) Records. A record of each Form 561, whether or not the deceased or incompetent person is the only person shown thereon to be entitled to a refund, shall be made on the farm account if one is established therefor and on the appropriate form MQ-1 as in other cases, except as follows:
1. In case the deceased or incompetent person is the only person entitled to a refund as shown on Form 561, the entry in column (20) of form MQ-1 will be the name of such person followed by the word "Deceased" or "Incompetent," as the case may be, and a notation shall be made in the right margin opposite the name of such person as to the date Standard Form No. 1055 is forwarded to the State office.
 2. In case the deceased or incompetent person is not the only person entitled to a refund as shown on Form 561, the name of the deceased or incompetent person followed by the word "Deceased" or "Incompetent," as the case may be, shall also be entered in column (20) of form MQ-1 and the amount to which such person would be entitled to receive as a refund shall be entered in column (21) of form MQ-1. The amount to be entered in column (21) shall be the amount shown on Form 561 for such deceased or incompetent person. A notation shall be made in the right margin opposite the name of the deceased or incompetent person as to the date Standard Form No. 1055 is forwarded to the State office.

Sec. 516 Treasury checks. The County Office Claims Procedure shall be followed in handling cases where checks issued in refund of marketing quota penalties are undelivered, erroneously delivered, lost, destroyed, stolen, erroneously issued, or the payee is deceased or has been adjudged incompetent.

Sec. 517 Refunds to persons other than producers.

- (a) Determination of refunds. If after the audit of reports of buyers or transferees (the postal card copy of Form 530 or the certificate contained in the producer's marketing card) it appears that the remittances received in connection with the transactions were in excess of

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penalties incurred by such reports, the county committee shall ascertain the reasons for the excess with a view to determining whether the excess represents (1) penalties incurred by producers and which the buyer or transferee collected or, in the case of a buyer, was under a duty to collect or (2) the buyer's personal funds which were remitted through error. If it is determined that the excess represents funds which were collected by the buyer or transferee or, in the case of the buyer, which he was under duty to collect, the amount thereof shall be credited, as provided in paragraph 9 of section 506(b), to the farm on which the cotton in connection with which the amount was collected or should have been collected was marketed. If it is determined that the excess or part thereof represents the buyer's or transferee's personal funds which were remitted through error, a refund of such amount may be made to him provided he has not been reimbursed therefor. No refund shall be made under this section until the State office representative has examined the county office records (Form 419 and related forms) pertaining to such buyer or transferee and approved the refund.

(b) Notice to the State committee. If a refund is to be made pursuant to this section, the county committee shall advise the State committee by letter, in duplicate, which shall contain the following information:

1. The name and address of the person to whom the refund is to be made.
2. The serial number of Form 419 issued to the buyer or transferee at the time the remittance was received from him.
3. The amount shown on Form 419 as "Suspense" or in connection with Form 530, as the case may be.
4. The amount authorized to be refunded.
5. The transmittal number of Form 359 on which Form 419 was scheduled.
6. The schedule number of the Standard Form No. 1044-Revised on which the remittance was scheduled by the State office for deposit in the special deposit account

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(to be obtained from the copy of Form 359 returned by the State office). The letter shall be signed by a member of the county committee and the treasurer and be approved by the State office representative. There shall be attached to the letter a statement, signed by the person to whom the refund is to be made, to the effect that such person did not collect the amount to be refunded from any other person and that such amount represents his personal funds which he was not under duty to collect or remit in connection with any cotton marketed to him or otherwise. A copy of the letter will be returned by the State office showing the refund voucher number.

(c) Record of refunds. A record of any refund pursuant to this section shall be made on form MQ-1 prepared as provided in section 506 as follows:

1. In column (16) enter the date the copy of the letter authorizing the refund is returned by the State office.
2. In column (17) enter the word "Buyer" or "Transferee," as the case may be.
3. Make no entry in column (18).
4. In column (19) enter the serial number of the refund voucher.
5. In column (20) enter the name of the person to whom the refund is to be made.
6. In column (21) enter the amount to be refunded.